

STATE, FOREIGN OPERATIONS, AND RELATED
PROGRAMS APPROPRIATIONS FOR 2016

HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTEENTH CONGRESS
FIRST SESSION

SUBCOMMITTEE ON STATE, FOREIGN OPERATIONS, AND RELATED
PROGRAMS

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PART 5

	Page
Funding to Prevent, Prepare for, and Respond to the Ebola Virus Disease Outbreak	1
U.S. Department of State	111
U.S. Agency for International Development	390
Department of Treasury International Programs	489
Assistance to Central America	563
United Nations and International Organizations	627

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STATE, FOREIGN OPERATIONS, AND RELATED PROGRAMS APPROPRIATIONS FOR 2016

WEDNESDAY, FEBRUARY 11, 2015.

FUNDING TO PREVENT, PREPARE FOR, AND RESPOND TO THE EBOLA VIRUS DISEASE OUTBREAK

WITNESSES

**AMBASSADOR STEVE BROWNING, SPECIAL COORDINATOR FOR
EBOLA, U.S. DEPARTMENT OF STATE**

**DIRK DIJKERMAN, EXECUTIVE COORDINATOR, EBOLA TASK FORCE,
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

**JEREMY M. KONYNDYK, DIRECTOR, OFFICE OF U.S. FOREIGN DIS-
ASTER ASSISTANCE, U.S. AGENCY FOR INTERNATIONAL DEVELOP-
MENT**

OPENING STATEMENT BY CHAIRWOMAN GRANGER

Ms. GRANGER. The Subcommittee on State, Foreign Operations, and Related Programs will come to order. I want to welcome all the Members to the first subcommittee hearing of the 114th Congress. The purpose of today's hearing is to oversee funding within the State, Foreign Operations Subcommittee's jurisdiction to prevent, prepare for, and respond to the Ebola outbreak.

I would like to welcome our three witnesses, Ambassador Steve Browning, Special Coordinator for Ebola at the Department of State; Mr. Dirk Dijkerman, USAID Executive Coordinator for the Ebola Task Force; and Mr. Jeremy Konyndyk, Director of USAID's Office of Foreign Disaster Assistance.

Thank you all for being here.

Although the international response was slow at the beginning of the Ebola crisis, the level of effort by the United States has been unprecedented. More than 1,000 American troops are currently deployed. The CDC has public health professionals in the affected countries. Our diplomats continue to work with governments to contain the outbreak. USAID leads the response on the ground. There are also hundreds of brave healthcare workers, many of them Americans, who have been mobilized by nongovernmental organizations to respond to the disease.

The results of the response effort are staggering and much different than expected. In September, scientific models predicted that by January of this year there would be 550,000 Ebola cases in Sierra Leone and Liberia. I will repeat that number because I had to check it because it is so astonishing: Predicted 550,000 cases.

Those of us who watched the progression of this disease from the beginning and witnessed its devastating effects are all thankful that the actual caseload was nowhere near what was predicted.

The press reported 124 confirmed cases in West Africa last week, one of the lowest levels since the outbreak began, and the total cases reported in those countries is approximately 22,000. This is a fraction of what was predicted.

The administration has announced that almost all of the U.S. troops in Liberia, which peaked at 2,800 in December, will come home by the end of April. One hundred DOD personnel will remain to help the Liberian military and governments in that region.

But the fight is not over. As our troops come home, the difficult work of eliminating the disease will fall even more on the shoulders of aid workers on the ground. Effectively addressing this next phase of the epidemic is critical.

As we all saw last year, when the disease came to our own shores, just one case could have devastating effects. Last fall, my home State of Texas experienced the disease directly.

The Fiscal Year 2015 Appropriations Act includes \$2.5 billion of emergency funding in this subcommittee's jurisdiction, representing a clear commitment by the Congress on behalf of all Americans to fight the Ebola outbreak in West Africa and prevent the further spread of the disease.

It is this subcommittee's responsibility to oversee funds provided to fight the disease, to ensure there is a solid plan for spending resources, and guarantee that any lessons learned from this crisis can be applied to future global health emergencies.

I hope the witnesses can give us an update on how funds have been spent and how remaining funds will be prioritized to eliminate the threat of Ebola. We also appreciate your thoughts on how we can respond more quickly and efficiently in the event of another international health crisis.

We commend the U.S. military and government agencies who have responded to this crisis, but we must ensure that there has not been unnecessary duplication of effort. If so, we need to change course now and not wait for the next crisis to get it right.

I want to close by expressing my sincere appreciation for the healthcare workers who fought the Ebola outbreak and cared for those in need. They take risks every day that many of us never have to face. They are heroes, and some of the stories I have heard are truly remarkable.

I will now turn to my ranking member, Mrs. Lowey, for her opening remarks.



FOR IMMEDIATE RELEASE

March 17, 2015

Contact: [Steve Dutton](#) | (202) 225-5071

GRANGER OPENING STATEMENT: BUDGET HEARING - UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

The Subcommittee on State, Foreign Operations, and Related Programs will come to order.

I want to welcome the acting Administrator of the U.S. Agency for International Development, Ambassador Al Lenhardt. Ambassador, we look forward to hearing your testimony today.

U.S.A.I.D. responds to some of the most challenging problems in the world - from tackling emergency situations such as the Ebola outbreak in West Africa and the humanitarian crisis in Syria, to addressing long-term development needs in some of the poorest, most conflict-stricken places around the globe. I am proud of our men and women serving overseas in our military, U.S.A.I.D. missions, the Peace Corps, and our embassies around the world. I want to ensure that the United States continues to lead on the world stage.

Real leadership requires the willingness to review what is going well and what is not. I believe there are many areas of U.S.A.I.D. that need improvement, and I hope that we can work together to address them.

My first concern is that there are many U.S. government agencies involved in health, development, and disaster response activities overseas. I am concerned that responsibilities may not always be clear, agencies may duplicate each other's efforts, and coordination may not occur as it should.

As you well know as a former Ambassador to Tanzania, an embassy that was attacked in the 1990's, desk space at U.S. embassies comes with a high price because of the security required. Overseas positions for all agencies should be carefully considered to ensure that the work gets done effectively and efficiently by the agency with the most appropriate skills to address the problems at hand. There is no room in the federal budget for duplication.

Another challenge is one former Administrator Shah tried to address with the feed the future initiative, and I hope you will continue to do so with other programs as well. In many countries, U.S.A.I.D. tries to do too much. The agency needs to continue focusing on reducing the number of programs you manage, and do those well. You should terminate the programs that do not work or that may be causing you to spread the agency's people and resources too thin.

My next concern is that it is difficult to get access to U.S.A.I.D. There are many American businesses, faith-based organizations, and universities that have development ideas to bring to

the table, but we consistently hear complaints that they cannot find ways to partner with the agency.

Ambassador Lenhardt, with your military background and your time spent as a diplomat, you bring a new perspective to this agency. I hope you can discuss some of these management challenges that are directly related to your budget, and we can work together to solve them. The budget request includes \$22 billion that U.S.A.I.D. manages entirely or partially. This includes a \$269 million increase for U.S.A.I.D.'s operating expenses.

It is very unlikely that our subcommittee's allocation will allow us to address all of the areas identified in the request, so we will have to work closely together to prioritize many competing demands in international development, health, and humanitarian programs.

I want to close by thanking you and the men and women of U.S.A.I.D., as well as your implementing partners, who are committed to solving some of the most difficult global development issues around the world, often in very dangerous places. All of us on this subcommittee understand and appreciate that work.

###

Mrs. LOWEY. Madam Chairwoman, I join you in welcoming our distinguished witnesses. This is an important hearing, and I believe we all owe the thousands of U.S. personnel a debt of gratitude for combatting the deadliest Ebola outbreak the world has ever seen.

Last summer, it was a crisis spiraling out of control, taking lives indiscriminantly, seemingly dismantling governments and economies in the process. The fact that a mere 6 months later, we have not only prevented an explosion of infections around the world but bent the curve downward and are in a position to reflect on what we have learned is a testament to our expertise and the fundamental generosity of the American people.

While we were not alone in responding—and I hope we can discuss the important contributions of the global community and the affected countries themselves—USAID, CDC, and the Department of Defense irrefutably led the charge and set up the systems and practices for the rest of the international community to follow.

Liberia's President Ellen Johnson Sirleaf said, "We saw actual boots on the ground. You can't imagine the difference it made in the hopes of the people. It inspired them to do more."

While we all hope the worst of this crisis is behind us, I am gratified that the administration and this committee remain focused on the work ahead as well as what lessons need to be learned to improve our response in the future. Clearly, the international warning system for disease outbreaks failed the people of Liberia, Sierra Leone, and Guinea. We need to have faith that surveillance and alerts will provide enough warning to stay ahead of outbreaks before they spiral out of control.

I hope our witnesses can offer some insight on how the world fell behind in addressing the Ebola outbreak and what changes need to be made to make sure we do not face such a situation again. This crisis has reinforced that health systems are not a luxury but a necessity. They cannot be treated as an afterthought. Without a strong global health infrastructure, this could happen again. Too many first responders, the health workers in the affected countries, died serving their fellow citizens. International doctors and nurses cannot be a substitute for trained, resourced health workers who have the confidence and support of their local communities.

Lastly, we have shown yet again that we have the capacity within different agencies and departments to sustain a formidable and coherent response. I cannot remember an international crisis that required such seamless coordination of so many different parts of our government. I was pleased that the Congress provided \$2.6 billion of the \$2.8 billion requested by USAID and the State Department for Ebola response. It was not easy, but these resources were appropriated in recognition of the unprecedented nature of this crisis and the uncertainty of future needs.

However, I would strongly urge the administration to remain in close communication with this committee about plans for the use of funds. The initial plan sent to Congress last month has not inspired confidence, and I want to express my sincere hope that coordination will improve.

Again, I commend you and look forward to our conversation today. Thank you, Madam Chair.

Ms. GRANGER. Thank you, Mrs. Lowey.



Committee on
Appropriations - Democrats



Lowey Statement at Hearing on Ebola Response

Appropriations Subcommittee on State and Foreign Operations

February 11, 2015

Madame Chairwoman, I join you in welcoming our witnesses.

This is an important hearing and I believe we all owe the thousands of U.S. personnel a debt of gratitude for combating the deadliest Ebola outbreak the world has ever seen. Last summer it was a crisis spiraling out of control, taking lives indiscriminately, and seemingly dismantling governments and economies in the process. The fact that a mere six months later we have not only prevented an explosion of infections around the world, but bent the curve downward and are in a position to reflect on what we have learned is a testament to our expertise and the fundamental generosity of the American people.

While we were not alone in responding -- and I hope we can discuss the important contributions of the global community and the affected countries themselves -- USAID, CDC, and the Department of Defense irrefutably lead the charge and set up the systems and practices for the rest of the international community to follow. Liberia's President Ellen Johnson Sirleaf said "we saw actual American boots on the ground...you can't imagine the difference it made in the hopes of the people. It inspired them to do more."

While we all hope the worst of this crisis is behind us, I am gratified that the Administration and this Committee remain focused on the work ahead as well as what lessons need to be learned to improve our response in the future.

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This crisis has reinforced that health systems are not a luxury, but a necessity that cannot be treated as an after-thought. Without a strong global health infrastructure, this could happen again. Too many first responders, the health workers in the affected countries, died serving their fellow citizens. International doctors and nurses cannot be a substitute for trained, resourced health workers who have the confidence and support of their local communities.

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However, I would strongly urge the Administration to remain in close communication with this Committee about plans for the use of funds. The initial plan sent to Congress last month has not inspired confidence and I want to express my sincere hope that coordination will improve.

Again, I commend you and look forward to our conversation today.

Ms. GRANGER. I will now call on the witnesses to give their opening statements, and I would encourage each of you to summarize your remarks so we can leave time enough for questions and answers. Your full written statements will be placed in the record.

We will begin with Ambassador Browning.

OPENING STATEMENT BY AMBASSADOR BROWNING

Ambassador BROWNING. Thank you very much, Chairwoman Granger, Ranking Member Lowey, and distinguished members of the committee. Thank you for the opportunity to testify today on the U.S. Department of State's efforts to combat the ongoing Ebola epidemic and use of the recently appropriated funds.

The Ebola epidemic in West Africa has already resulted in over 22,000 Ebola-infected persons and over 9,000 deaths. While Liberia, Sierra Leone, and Guinea have been affected the most by this epidemic, there have been cases in several other countries, including the United States. The three affected countries have borne and will continue to bear huge economic losses as a result of the epidemic.

Thank you for appropriating funds toward defeating Ebola in West Africa. We appreciate the commitment and support your demonstrated efforts toward the response.

Though the current case rate is falling, there is a long way to go. And we have to remember that one undetected case can start another outbreak. Last week we saw a rise in the number of cases in the region over the previous week, from 100 to 124, a reminder that we are not on a smooth glidepath toward zero new cases, which is the goal we must achieve.

The United States has responded at home and abroad by implementing a whole-of-government strategy to lead the global effort on Ebola. With USAID as the lead agency for the international response, the Departments of State, Health and Human Services, Defense, Homeland Security, and other supporting agencies have worked together to combat the spread of the Ebola outbreak. DOD's mission in Liberia in support of the civilian response has essentially been completed. And we can be confident that Liberia will continue on the right track with robust civilian response that we have in place there.

Our Ambassadors and Embassies Monrovia, Freetown, and Conakry have been essential to coordinating U.S., host government, and international partner efforts. U.S. Ambassador to Liberia Deborah Malac, U.S. Ambassador to Sierra Leone John Hoover, and U.S. Ambassador to Guinea Alexander Laskaris, and our inter-agency teams, both American and local staff, have worked tirelessly to help keep Washington abreast of all events on the ground, while encouraging their host governments to improve their responses.

Additionally, our Ambassador to the African Union, Reuben Brigety, and his team were instrumental in convincing countries throughout Africa to provide assistance, including much needed healthcare workers. All four Ambassadors have displayed tremendous skill managing U.S. Government response on the ground.

The Department has focused its energy on diplomatic engagement to increase international support for the Ebola response as

well as improving coordination with the U.N. System, all the governments involved in providing resources, and international government and nongovernmental organizations. We have used every opportunity to impress upon the international community the necessity of joining together to win this struggle.

State has also encouraged nongovernmental actors to join the Ebola fight. We have worked to identify stakeholders in the diaspora and private sector to devise ways to help. The State Department has supported the United Nations system in their response to Ebola. In mid-September, senior U.S. Government officials began high-level outreach calls to other governments, who have now committed a total of nearly \$800 million to the fight against Ebola in response to this call. In addition to funding, many countries have committed essential personnel and other resources.

And I brought fact sheets that describe the work of the broader international community, which I would like to have submitted for the record.

It is essential that we focus on the immediate response until the epidemic ends. However, all humanitarian crises require a recovery period. In addition to the immediate response, we must ensure regional preparedness and rebuild health systems, not only in our tradition of humanitarian assistance but to protect ourselves from future infectious disease threats.

The U.S. Government is working to improve preparedness planning, both internally and with the international community. The President launched the Global Health Security Agenda 1 year ago to accelerate global action to prevent, detect, and rapidly respond to infectious disease threats, whether naturally occurring like the Ebola epidemic or the result of bioterrorist threat.

State and USAID are participating in an interagency effort focused on post-Ebola recovery and will work with international partners, the private sector, and nongovernmental organizations to support sustainable recovery within the region.

I would like to close with remarks from the President, who stated, "This disease can be contained." It will be defeated. Progress is possible, but we are going to have to stay vigilant, and we have got to make sure that we are working together. If we don't have a robust international response in West Africa, then we are actually endangering ourselves here back home.

Thank you for your time and consideration. I welcome the opportunity to answer any questions you may have.

Ms. GRANGER. Thank you.

State Testimony for HACFO Hearing

Statement for the Record

Ambassador Steven Browning

Special Coordinator for Ebola

U.S. Department of State

Before

The U.S. House of Representatives

Committee on Appropriations –

Subcommittee on State/ Foreign Operations

For an Oversight Hearing on

“Funding to Prevent, Prepare for, and Respond to the Ebola Virus Disease
Outbreak”

February 11, 2015

Chairwoman Granger, Ranking Member Lowey, and distinguished Members, thank you for the opportunity to testify today on the U.S. Department of State's efforts to combat the ongoing Ebola epidemic and use of the recently appropriated funds.

The Ebola epidemic in West Africa has already resulted in over 22,000 Ebola-infected persons and nearly 9,000 deaths. While Liberia, Sierra Leone, and Guinea have been affected the most by this epidemic, there have been cases in several other countries, including the United States. The current Ebola epidemic is the largest outbreak of Ebola Virus Disease in history. The primary focus has been on the public health impact of the epidemic, but we know that the outbreak has also placed tremendous strain on the social fabric of the region. The three affected countries have borne – and will continue to bear – huge economic losses as a result of the epidemic.

Though the current case rate is falling, we have much more work to do. The U.S. government and the international community have been in the trenches fighting against Ebola since the spring of 2014, and the current epidemiological data indicate that there are significantly fewer overall cases than in the fall of 2014, at the peak of the epidemic. Still, the overall situation shows that there is a long

way to go. And we have to remember that the West Africa Ebola outbreak began with a single case, a two-year old boy, in Guinea. It only takes one undetected case to start another outbreak. For the week of January 25, 2015, the WHO reported major progress in the number of cases in West Africa; less than 100 cases had been reported for the week, four cases in Liberia, 65 cases in Sierra Leone, and 30 cases in Guinea. The last time that the WHO reported such a low case rate was in June 2014. For the week of February 1, 2015, however, the WHO reported five new cases in Liberia, 80 new cases in Sierra Leone, and 39 new cases in Guinea. The Ebola epidemic is not only a health crisis – it is a global security threat. And we cannot rest until we reach zero cases.

Allow me to note that Liberia, where the United States has been most heavily engaged, now seems to be closest to stopping the epidemic entirely, although there is much work still to be done to reach zero cases. The extraordinary efforts of the Department of Health and Human Services (including the Centers for Disease Control and Prevention (CDC), and the U.S. Public Health Service (USPHS)), the U.S. Agency for International Development (USAID), the Department of Defense (DoD), and our Embassies in the field, along with other partners working in support of the Government of Liberia, have led to Liberia reporting fewer than one new case each day. DoD's mission in support of the our

civilian response has essentially been completed, but we can be confident that Liberia will continue on the right track with the robust civilian response that we have in place there.

That is not to say that the job is close to being done in Liberia, and it will not be done until the Ebola epidemic has been stopped throughout West Africa. We saw an increase in reported case rates in Guinea and Sierra Leone last week, with many not on contact tracing lists and unlinked to any previously identified chain of transmission.

[I would like to highlight Nigeria, Senegal and Mali as success stories for Ebola Response. Senegal had one imported case, and was declared “Ebola-free” on October 17, Nigeria was declared “Ebola-free” on October 20, and Mali has not reported any new cases since November 24, 2014, and was declared “Ebola-free” in January 2015. With support from the U.S. government, these countries had the ability to respond quickly, with enhanced surveillance and contact tracing, allowed the country to overcome the threat of Ebola. But even now, our Embassy in Bamako reports that the Government of Mali is still taking the threat very seriously. We commend their diligence in building local health capacity and preparing for possible imported cases.]

The U.S. government response

The United States has responded at home and abroad by implementing a whole-of-government strategy to lead the global effort on Ebola. With USAID as the lead agency for the international response, the Department of State, HHS, including CDC and USPHS, DoD, the Department of Homeland Security (DHS), and other supporting agencies have worked together to combat the spread of the Ebola outbreak. State leads the diplomatic outreach effort to mobilize the international community to respond to the crisis.

In the region, the response is being coordinated by the Disaster Assistance Response Team (DART), led by USAID with CDC in charge of public health issues. Our Ambassadors at Embassies Monrovia, Freetown, and Conakry have been essential to coordinating U.S., host government, and international partner efforts. U.S. Ambassador to Liberia Deborah Malac, U.S. Ambassador to Sierra Leone John Hoover, and U.S. Ambassador to Guinea Alexander Laskaris – and their teams, both American and local staff – have worked tirelessly to help keep Washington abreast of all events on the ground, while encouraging their host governments to improve their response. Additionally, our Ambassador to the African Union, Reuben Brigety was instrumental in convincing neighboring

countries to provide assistance, including much-needed health care workers. All four Ambassadors have displayed tremendous skill managing the growing number of U.S. government personnel at their Embassies. Community resistance in some locales – distrust of medical workers who are sometimes perceived to bring the disease rather than combat it – has been a major hindrance to the response, and our Ambassadors have played a major role in community outreach to explain what Ebola is and what needs to be done. Our Ambassadors and their Embassy teams have been relentless in their efforts to support a cohesive U.S. government response.

The State Department's role in the Ebola response

In order to manage such a large international response effort, Secretary Kerry created an Ebola Coordination Unit (ECU) within the State Department, to coordinate and lead the Department's response to the epidemic. The ECU has focused its energy on diplomatic engagement to increase international support for the Ebola response, as well as improving coordination with the UN system, all the governments involved in providing resources, and international government and non-governmental organizations.

As Secretary Kerry said, “We know the risks. We know the science. We know the medical certainties. We know what is required to beat back this epidemic. And right now, we know that this is a time for nothing less than brutal honesty with each other about what we need, in both the capabilities that we need in order to meet this crisis and the real ways on the ground and the kinds of cash contributions – yes, cash contributions – that we need to fund these efforts for the months to come.” To that end, the Department of State has established channels of communications with our international friends and partners where we can communicate with the kind of frankness and honesty Secretary Kerry mentioned. We have also used every opportunity to impress upon the international community the necessity of joining together to win this struggle.

State has also encouraged non-governmental actors to join the Ebola fight. We have worked to identify key stakeholders in the diaspora and private sector to devise ways to help. Since late September we have coordinated engagement with the diaspora community. We have worked with diaspora groups to organize events in Washington and elsewhere, and reached out through high-level calls to brief on the U.S. response. In December, State’s Deputy Ebola Coordinator Andy Weber spoke at a National Ebola Summit coordinated by the Diaspora Ebola Network.

In late 2014, the U.S. issued a call to action to the private sector and has seen a generous mobilization of private sector resources. Hundreds of millions of dollars from individuals, companies, and non-profits around the globe have provided critical assistance to response efforts. The State Department convened discussions with several private sector organizations in the summer of 2014, which blossomed into a close collaboration with the newly formed Ebola Private Sector Mobilization Group (EPSMG), comprising over 250 corporate, U.S. government, and non-governmental organization (NGO) entities. We have encouraged them to maintain their organization for future emergency response. This group has harnessed the agility of the private sector, and we hope that this model provides a useful model for future private sector response to humanitarian crises.

The Department has helped guide the many private sector groups who have stepped up to assist in this crisis toward organizations doing vital work in affected regions. Our Office of Global Partnerships has cultivated meaningful relationships with key philanthropists, including the Paul G. Allen Family Foundation, which led to the creation of a “Medevac fund,” focused on taking care of those infected with Ebola through their courageous participation in the response.

Supporting the United Nations response effort

The State ECU has been in support of the United Nations system in their response to Ebola. We commend the work of Dr. David Nabarro, Special Envoy for Ebola, and UNMEER, first by Mr. Tony Banbury and now led by Mr. Ismail Ould Cheikh Ahmed, the Special Representative of the Secretary General. We commend the UN responding agencies on the ground, including the World Health Organization, the World Food Program, UNICEF, and others. Dr. Nabarro has been indefatigable in his efforts to rally the world to respond to the epidemic.

In mid-September, senior U.S. government officials began high-level outreach calls to other governments who have now committed a total of nearly \$800 million in commitments towards the fight against Ebola. In addition to this funding, many countries further committed much needed personnel and other resources.

As a result of our diplomatic efforts, funding and targeted in-kind contributions have helped the response in many ways. International contributions have increased the number of healthcare workers available to work in impacted areas, helped provide medical and scientific expertise, helped develop logistical

support to move supplies to isolated villages, and helped construct ETUs. We have focused on encouraging the international community to respond directly to the crisis, and have seen some amazing results. I would like to commend and highlight a few contributions from our partners abroad:

- The UK committed \$359 million of support, including support for vital command and control platforms and the construction of six Ebola treatment units (ETUs) totaling 700 treatment beds in Sierra Leone, and supporting the roll out of 200 community care centers;
- France pledged over \$145 million, including \$95 million to Guinea, the construction of five ETUs and more than 150 personnel. Additionally, France has coordinated Ebola preparedness in all of Francophone West Africa, including Mali, Côte d'Ivoire, Guinea and Cameroon;
- The European Union (EU) has committed more than \$1.2 billion in financial assistance, \$171 million in development and early recovery assistance, and in-kind assistance;

- African nations have joined together to commit to contribute 2,000 health care workers through the African Union to the affected countries in West Africa;
- Germany has committed more than a \$192 million to the Ebola response effort, and deployed more than 100 personnel. Germany has also established airlift capability from Dakar, Senegal to Monrovia, Conakry and Freetown;
- Japan has committed nearly \$145 million in assistance towards response and recovery. The Japanese have committed up to 700,000 sets of personal protective equipment (PPE) to Liberia and Sierra Leone;
- China has committed more than \$120 million, including establishing and management of a lab and treatment unit in Sierra Leone, and construction and staffing of a 100-bed Ebola treatment unit in Liberia. China has sent more than 700 medical personnel to the affected countries, including those who are training African health care workers; and
- Canada has committed nearly \$100 million to the Ebola Response effort, including funding for further research and development of Canada's Ebola vaccine and monoclonal antibody treatments. Additionally, Canada has

deployed epidemiologists to the region and is contributing \$18.3 million to aid organizations, three fully staffed mobile laboratories, and personal protective equipment.

Looking Forward

To avoid another outbreak, it is critical that we focus on the immediate response effort. However, all humanitarian crises require a significant resilience and recovery process – and this epidemic is no different. For this epidemic, our efforts are on a trajectory from the immediate response, to ensuring regional preparedness, to rebuilding health systems and other sectors. Members of the U.S. government have been engaged in preparedness planning with the international community. The WHO has led an exhaustive process of assessing Ebola preparedness for high-risk priority countries. This process has been shared with the international donor community, allowing host governments to work directly with donors to identify and fill existing gaps in their preparedness framework. The U.S. government has been an active contributor to these activities, and the State Department continues to strategize about how to further engage partners in building regional preparedness.

On recovery, the U.S. government has begun to work on a recovery plan along with the interagency, international partners and the donor community that builds on the investments our response efforts represent. State and USAID are participating in an interagency effort focused on post-Ebola recovery, and will work with the private sector to identify partnership opportunities in each of our priority areas that will support sustainable recovery within the region. Though the epidemic is not over, we have already seen substantial impacts, particularly to the public health and education systems and the economic sector. The January 20, 2015, World Bank report estimates that the 2014 economic growth of Sierra Leone decreased from 11.3 percent anticipated growth, to 4.0 percent. Similar losses have been observed in Liberia and Guinea. The cumulative 2014 fiscal impact in the three affected countries totaled more than \$500 million, equivalent to almost five percent of their combined gross domestic product (GDP). Projections for 2015 now show outright contraction in Guinea and Sierra Leone, with only Liberia showing an improved growth scenario (from +1 percent to +3 percent for 2015) since the projections made in October 2014. The regional economic recovery is vital to regaining traction on the prior gains on women's advancement, entrepreneurship and the education system.

Ebola's rapid spread was in part due to stigma, fear, and low public confidence in the governance and healthcare systems of the affected countries. To address these challenges, we will support efforts that build the capacity of government institutions to respond to these shocks by supporting increased effectiveness, transparency, accountability and responsiveness of governance structures, strengthen the link between citizens and their governments, as well as maintain the momentum on key governance reforms. The economic disruptions resulting from the Ebola crisis are also straining many small and medium businesses and hindering enterprise growth and investment. The U.S. government will engage with the governments of the affected countries, key private sector investors, concessionaires and businesses, and public and private health services to identify investors' concerns, facilitate the resolution of those concerns, and encourage investors to resume their operations and planned investments in the region as soon as possible.

The public health systems in West Africa have been decimated by the epidemic. The ability to rapidly detect and respond to threats – will be an important component of the recovery effort. The international community has already engaged in discussions about building local health systems capacity after the epidemic. We launched the Global Health Security Agenda (GHSA) one year

ago to accelerate global action to prevent, detect, and rapidly respond to infectious disease threats - whether naturally occurring like the Ebola epidemic or the result of a bioterrorist attack. The Ebola epidemic underscores the need for capacity in every country, and 44 nations joined President Obama, Secretary Kerry and senior officials from around the world to make new, concrete commitments to the GHSA. The State Department is committed to playing its role in the implementation of the US Government GHSA commitment to assist at least 30 countries over 5 years to reach the targets of the GHSA and full implementation of the World Health Organization International Health Regulations. We are also committed to leveraging significant international capital to assist - in a synchronized way - with achieving the ultimate aim of the GHSA, which is a world safe and secure from infectious disease threats.

I would like to close with remarks from the President, who stated: "...this disease can be contained. It will be defeated. Progress is possible. But we're going to have to stay vigilant and we've got to make sure that we're working together. We have to keep leading the global response. America cannot look like it is shying away because other people are watching what we do, and if we don't have a robust international response in West Africa, then we are actually endangering ourselves here back home. In order to do that, we've got to make sure

that those workers who are willing and able and dedicated to go over there in a really tough job, that they're applauded, thanked and supported. That should be our priority."

Thank you for your time and consideration. I welcome the opportunity to answer any questions you may have.

Steven A. Browning



Special Coordinator for Ebola Response

Term of Appointment: 12/01/2014 to present

Steven A. Browning is a career member of the Senior Foreign Service holding the rank of Career Minister. Ambassador Browning assumed his duties as the State Department's Special Coordinator for Ebola Response on December 1, 2014.

Ambassador Browning of Texas most recently served as Diplomat in Residence at the University of California, Berkeley.

From 2009 to 2012 he served as Principal Deputy Assistant Secretary in the Department of State's Bureau of Human Resources where he had responsibility for hiring, developing, assigning and supporting the Department's 68,000 employees worldwide. Prior to that he served as the Ambassador to the Republic of Uganda, Minister Counselor for Management in the U.S. Embassy in Baghdad, Iraq; and the Ambassador to the Republic of Malawi.

Ambassador Browning was Diplomat in Residence from 2000 to 2003 at the University of Southern California and University of California at Davis, and from 1998 to 2000 Dean of the School of Professional and Area Studies at the Foreign Service Institute, the U.S. Government's primary training facility for its foreign affairs professionals.

Ambassador Browning has also served as Executive Director for the Bureau of African Affairs at the Department of State. Earlier in his career, he served as Deputy Chief of Mission in Dar es Salaam, Tanzania, and Special Assistant to the Under Secretary for Management at the Department of State. He has also served in the Dominican Republic, Kenya, Egypt and Sri Lanka.

Ambassador Browning received his bachelor's degree from Baylor University and his master's degree from the University of Houston.

Ms. GRANGER. Mr. Konyndyk, you are now recognized.

OPENING STATEMENT BY MR. KONYNDYK

Mr. KONYNDYK. Thank you, Chairwoman Granger, and thank you, Ranking Member Lowey, and members of the subcommittee for the opportunity to update you today on the ongoing U.S. Response to the Ebola epidemic in West Africa.

And thank you, in particular, Ms. Granger, for your recognition of the brave healthcare workers who have really been the central backbone of this entire effort and whose work has been indispensable.

I also want to thank you for this subcommittee's leadership in passing the 2015 emergency funding for Ebola. That support has allowed the U.S. to rapidly scale up a massive response to this outbreak, which has so far infected more than 22,000 people and killed more than 9,000 of them.

I lead the Office of U.S. Foreign Disaster Assistance at the U.S. Agency for International Development. OFDA is the lead Federal coordinator for overseas disasters. And our Disaster Assistance Response Team, or DART, platform is, in the words of President Obama, the strategic and operational backbone of America's response to the Ebola outbreak.

With staff deployed across the region, the DART team is facilitating a complex pipeline of expertise, funding, and supplies that has been crucial to the effective regional response. The DART simultaneously strengthens the broader international effort, coordinates the unique capabilities of our interagency partners like the Centers for Disease Control and Prevention, the Department of Defense, and the U.S. Public Health Service, and delivers vast amounts of direct assistance. This gives the U.S. the unique and singular capability to project leadership and drive a comprehensive regional strategy to control and ultimately extinguish this outbreak.

On August 4, we deployed a USAID Disaster Assistance Response Team to the region, and a few weeks later, I traveled to Liberia with Dr. Tom Frieden of the CDC to observe the crisis firsthand. What we saw on that trip was shocking. Transmission rates were far outstripping the small containment capacity that existed. And the international response was hobbled by a lack of resources, personnel, and expertise. Treatment centers we visited in the capital were turning away patients. Infectious bodies lay in the streets uncollected. Lab capacity was minimal. And protective gear for responders was in short supply. To be blunt, at that time, we were losing to the disease. It was clear that only a massive, unprecedented international response with strong U.S. leadership would be able to stem this outbreak.

Working closely with experts from the CDC and in support of the governments of the affected countries, the U.S. Government developed a holistic strategy to contain and ultimately defeat this outbreak. Through the DART platform, we called on DOD to bring speed and scale to the effort, building treatment centers, training medical staff, expanding laboratory testing capacity, and supporting logistics. We brought in the U.S. Public Health Service through the DART to operate the DOD-built Monrovia Medical

Unit, which addressed a critical constraint to the response by assuring responders that they would have high-quality care available to them should they become infected.

And we mobilized and financed an enormous scale-up of NGO and U.N. Agency partner capacity, to manage treatment centers, operate burial teams across Liberia, and launch massive social mobilization and messaging efforts that have reached millions of people while also providing coordination and logistic support.

And our effort is not limited to Liberia. In Sierra Leone and Guinea, while we have not played the same lead role that we are playing in Liberia, the U.S. has supported similar lines of programming in complement to the efforts of the U.K., France, and other international partners.

This effort has had an immediate impact. I returned to Liberia in October and found that, while still tenuous, the situation was already vastly improved. The scale-up of safe burials and social mobilization had attacked major drivers of transmission, and the additional case management capacity that we were bringing online was addressing critical shortages and treatment beds.

By late October, the outbreak in Liberia had crested, and transmissions, while still worryingly high, had begun to decline. The trajectory in Guinea and Sierra Leone was following suit by the end of the year. As case rates have declined, we have shifted our goal accordingly from breaking exponential growth to getting the overall caseload down to zero. We have scaled back the size and number of planned U.S.-built treatment centers while continuing to ensure geographic coverage and access to safe treatment across all of Liberia's counties. We are maintaining surveillance and community outreach efforts and adding greater emphasis on targeted subnational interventions to hunt down every case and ensure rapid and robust response to new hotspots.

The U.S. has by now mobilized well over 10,000 USAID-supported humanitarian partner staff across the region and provided over \$939 million in assistance. This is the largest U.S. response to a global health emergency in history. And we are seeing remarkable progress.

But the fight is far from over. We know, based on previous outbreaks, that it can be a long and bumpy road to get to zero. USAID strategy will continue to adapt along with conditions on the ground. And we will continue to chase down the last chains of transmission across the region until all affected countries have been declared Ebola-free. Thank you, and I look forward to answering questions.

**Joint Testimony of the U.S. Agency for International Development
Dirk Dijkerman, Executive Coordinator, USAID Ebola Task Force
Jeremy Konyndyk, Director, Office of U.S. Foreign Disaster Assistance
Subcommittee on State, Foreign Operations, Committee on Appropriations
U.S. House of Representatives
February 11, 2015**

Thank you, Chairwoman Granger, Ranking Member Lowey, and Members of the Subcommittee for the opportunity to update you on the ongoing U.S. response to the Ebola epidemic in West Africa and our strategy moving forward.

To date, this unprecedented outbreak has infected over 22,000 people, claimed almost 9,000 lives, decimated national health systems, stalled economies, and brought the Ebola virus to our shores for the first time in history.

In response, USAID has helped galvanize a successful, multi-pronged effort that has saved lives and helped to isolate the disease in the three affected countries – though the fight is far from over. In September, the World Health Organization reported over 350 new cases per week in Liberia and that figure has now dropped to an average of five new cases per week. In Sierra Leone, the epidemic peaked with 550 new cases per week in November, and the latest statistics show 80 new cases per week. In Guinea, the epidemic peaked at more than 170 new cases per week in December and current cases are under 50 per week in recent weeks. To date, there are well over 10,000 USAID-supported humanitarian partner staff have been activated across the region and the U.S. has provided over \$939 million to fight Ebola at its source. As of the end of January, the USG has obligated more than \$1.1 billion to the Ebola response efforts both domestically and internationally.

This would not have been possible without this Subcommittee's leadership in passing the FY 2015 emergency funding for Ebola. This critical funding has enabled USAID to mount an aggressive and flexible response. As a result, USAID has not included any Ebola-specific funding in the FY 2016 budget request.

USAID has led a whole-of- government response to this crisis, in partnership with numerous NGOs and private organizations, such as the Paul G. Allen Family Foundation, Facebook founder Mark Zuckerberg, the Bill and Melinda Gates Foundation, and countless private sector companies. The government's strategy applies evidence, science, and innovation, while leveraging the expertise and abilities of multiple U.S. departments and agencies. These efforts have helped to mobilize healthcare professionals, the private sector, and other donors, and together we have succeeded in stopping the exponential growth of the virus in West Africa and averting the dire scenarios of hundreds of thousands of cases that were projected last fall.

Previous outbreaks of Ebola had been limited to isolated rural communities in eastern and central Africa. This epidemic instead struck West Africa and for the first time reached major urban areas. Guinea, Sierra Leone, and Liberia proved to be particularly vulnerable: all are fragile states with weak governance and health and disease surveillance systems, and all utilized burial practices that were highly prone to transmission of the disease. This combination of factors enabled an outbreak of the disease unlike any before. The resulting public health crisis quickly escalated into a global humanitarian emergency and urgent national security priority. President Obama has been clear that we must stop Ebola at its source, help affected communities restore essential health services, and build resilient health security systems to mitigate, detect, and rapidly respond to future outbreaks before they become epidemics.

However, the mission is far from accomplished. Despite faster-than-anticipated progress in reducing transmission, previous outbreaks have taught us that the road to zero cases can be long and bumpy. A single case, if undetected, can rapidly spawn tens and then hundreds of additional cases. We remain focused, in close partnership with the affected governments in the region, on extinguishing all remaining cases, and putting the region back on a path to development.

The U.S. government strategy encompasses four key pillars: controlling the outbreak; mitigating second-order impacts; ensuring U.S. leadership toward a coherent and coordinated response; and pursuing enhanced global health security. We welcome this opportunity to update the subcommittee on our efforts and progress to date, and how this outbreak can be brought to an

end. We will also brief you on our plans to help West Africa recover from the negative impact of this disease and rebuild key systems that will allow for better preparation and response to future outbreaks.

U.S. GOVERNMENT STRATEGY AND RESPONSE TO EBOLA

Immediate Response

The United States first responded to the crisis in March after Ebola was detected in Guinea. Early efforts brought down cases to nearly zero through May, but unfortunately there was a resurgence of transmission in June as Ebola began to reach urban areas. By July, the region's health systems were overwhelmed, contagious corpses lay in the streets, doctors were dying, and entire families were being wiped out by the virus. It became clear this was no longer simply a public health emergency but a full-blown humanitarian crisis.

USAID's Disaster Assistance Response Team (DART) platform was deployed on August 4th to lead, coordinate, and mobilize an expanded whole-of-government effort to control the outbreak. As President Obama stated in October, the DART has been the "strategic and operational backbone of America's response," coordinating the overall international response, the coherent deployment of relevant U.S. government capabilities, and delivery of needed assistance both directly and through non-governmental organizations (NGO) and U.N. partners. With staff deployed across the region, the DART is facilitating a complex pipeline of expertise, funding, and supplies that has been crucial for an effective regional response. Through this platform, the U.S. government response cohesively weaves together capabilities from across the U.S. government, including the Department of Health and Human Services (in turn including the Centers for Disease Control and Prevention and the U.S. Public Health Service), the Department of Defense, the U.S. Forest Service and the Department of State.

Working in support of the governments of the affected countries, USAID has pursued a holistic strategy to contain and ultimately defeat this outbreak. Responses to previous Ebola outbreaks have relied principally on isolation and care to curb the spread of the disease. In order to quickly expand safe isolation and care, USAID called on the U.S. military to deploy in support of our efforts. The military built treatment centers, trained medical staff, expanded laboratory testing capacity, and supported operational logistics. To staff and operate Ebola Treatment Units

(ETUs) in every county in Liberia, USAID engaged NGO and private sector partners to mobilize clinical management teams.

Facing a critical shortage of medical volunteers in September, USAID facilitated the Department of Defense's (DoD) deployment of the Monrovia Medical Unit, and partnered with staff from the U.S. Public Health Service Commissioned Corps to operate the facility. The Monrovia Medical Unit assured a high level of Ebola care to healthcare workers and other responders, giving them the confidence to join the fight.

As U.S.-supported ETUs opened through the fall, USAID worked with the United Nations (U.N.) to establish logistical support and distribution networks to move vast volumes of Personal Protective Equipment (PPE) and other critical supplies across the region. We also worked with CDC and NGO partners to set up rapid response capacity to quickly contain new transmission chains in remote areas.

However, the scale of this outbreak—and the inherently limited pace of rapidly scaling up sophisticated case management capacity—meant that a more diverse and holistic approach was required. USAID simultaneously worked with partners to attack major sources of Ebola transmission: unsafe burial practices and high-risk care giving in health and in-home settings.

In Liberia, we increased the availability of culturally-sensitive and safe burials through 70 burial teams providing nationwide coverage, and worked with the Government of Liberia to provide a national memorial cemetery for Ebola victims. We are helping reach 1.5 million people daily with radio messages on Ebola prevention and treatment and through USAID funding have helped mobilization teams reach more than 100,000 households. We trained health care providers on improved infection prevention and control practices, and are setting up networks to supply them with the PPE they need to be safe in their day-to-day work. Because of our efforts, 3,000 people have been trained to work in ETUs in Liberia, 2,000 of whom are Liberians. In addition, USAID is helping to train staff in infection control protocols and re-supplying PPE and other essential supplies at 128 non-Ebola health care facilities. We have also expanded the pipeline of medical

equipment and supplies and delivered 140,000 sets of PPE including medical gloves, protective coveralls, goggles, and face shields.

From the outset, USAID has been focused on ensuring a well-organized and data-driven response. USAID worked with CDC to support a clear and unified Incident Management Structure within the Government of Liberia to install a modern Emergency Operations Center to unify and align all elements of the response. USAID deployed data experts to Liberia to streamline epidemiological reporting systems and improve the quality and operational utility of case reporting.

Regional Response

Our efforts were not limited to Liberia—to address a regional outbreak, we mounted a regional response. In Sierra Leone, where the United Kingdom has stepped up as the lead international partner, USAID has supported burial teams, funded three ETUs, mobilized DoD lab capacity, improved infection prevention and control, and enhanced public awareness of the disease. With funding from USAID, there are 54 safe burial teams operational in all 14 districts of Sierra Leone. We have also funded teams to conduct door-to-door campaigns to inform households about Ebola, identifying active cases and providing lifesaving assistance to those awaiting transport to a safe bed. Since December, USAID-supported partners have trained thousands of health care workers in infection control standards and ETU management to ensure they have resources and skills to safely care for Ebola patients. Additionally, through the expansion of the medical equipment and the supply pipeline to the region, USAID has provided 30,000 sachets of oral rehydration salts, 20,000 PPE coveralls, 1,300 body bags for safe burials, and 38.5 metric tons of chlorine (more than 1,830 drums) for disinfection in Sierra Leone.

In Guinea, USAID is supporting five partners to carry out community outreach activities that inform Guineans about the illness and how to protect themselves and loved ones. USAID supports two media production hubs, production of a daily radio program, and advises journalists on how to accurately report on the disease in affected communities. We have funded the construction of two ETUs and the operation of an Ebola Transit Center, where patients can seek referrals and get lab results before receiving care at an ETU. We have provided 6,500 infrared thermometers to the Government of Guinea now being used to screen children returning to

schools across the country, and are working with partners to help ensure the availability of necessary hand-washing stations in schools to help protect schoolchildren. The U.S. is also funding more than 40 infection prevention specialists to serve in medical facilities or provide infection prevention supervision at the prefecture level. There are now 70 burial teams covering all prefectures across Guinea. We continue to support contact tracing, infection prevention in health centers, and in-depth medical training of over 3,000 health care workers.

USAID has also moved swiftly to contain regional flare-ups. In early November reports emerged about a cluster of cases in Mali stemming from a case originating in Guinea. USAID rapidly deployed DART staff to Mali to work with U.S. government interagency partners and assist the government response effort. Working together with CDC and the Embassy, the DART was able to apply key lessons learned from the response in the rest of the region and work with NGO and U.N. partners to set up new programs. This swift action and coordination helped to limit the transmission in Mali and quickly bring an end to the outbreak in that country.

Adapting Our Strategy

As case rates have dropped, we have remained nimble, shifting the focus of our regional response strategy from breaking exponential case growth to reducing the caseload to zero. This evolution includes targeted national and sub-national level interventions to track down every case, and ensure a rapid and robust response to new hotspots. In consultation with the Government of Liberia, we scaled back the size and number of planned U.S.-built ETUs—from 17 to 15—while continuing to ensure broad geographic coverage and access to safe treatment in each of Liberia’s 15 counties. The build size for many ETUs was reduced from 100 beds to 50 beds and new ETUs opened with just 10 to 20 operational beds, with the ability to scale-up in the event of resurgence. The availability of geographically dispersed care and treatment will allow patients to be treated closer to their communities, making it more likely that they will seek out treatment, and mitigate further exposure in the community. This allows families to safely visit patients and stay connected with their loved ones, ensures that families continue to be monitored for symptoms, and helps to decrease the possibility of further contamination from people seeking treatment far away from their homes. Where ETUs are receiving few patients, our partners are utilizing ETU healthcare workers to improve infection prevention and control in the normal health system, to support the re-opening of non-Ebola health facilities.

Despite the promising trends, we know based on previous outbreaks that it can be a difficult road to zero and the epidemic is not over until all affected countries have been declared Ebola-free. USAID's flexible, adaptive strategy will continue to evolve with the conditions on the ground. The Ebola emergency appropriation is essential to sustaining our efforts to get to zero. This is a fight we cannot afford to lose.

MITIGATING KEY SECONDARY IMPACTS

As we continue tracking down and isolating remaining cases of Ebola in the region, we have initiated actions to safely restart health care services to regain lost ground and strengthen the health care delivery systems necessary to be prepared for future outbreaks of Ebola and similar diseases. We are also working to help 13 other at-risk countries in sub-Saharan Africa to prepare for possible Ebola outbreaks. Finally, we are working to assist the rest of Sub-Saharan Africa in becoming better able to detect and respond to Ebola and other similarly devastating diseases.

This crisis hit three countries where nearly half the total population already lives in poverty. They are among the poorest countries in the world. Thus, in addition to the major focus on health, we will address the immediate needs of populations who lost ground and became more vulnerable because of Ebola. These include those who suffered directly from Ebola as patients, survivors, new orphans, and populations quarantined. Many lost their jobs and income as the economy slowed down and became more food insecure as food markets ceased to function.

Rebuilding Health Systems and Expanding Preparedness

Tackling the root vulnerabilities and gaps in West Africa's health and preparedness systems will be critical to avoiding future epidemics of Ebola or other diseases. That is why USAID plans to invest \$438 million in a three-pronged approach of bolstering preparedness and response capabilities for West African countries most at-risk for future outbreaks which have the potential to become epidemics; expanding viral surveillance in Africa and other transit hubs; and safely restarting health services and strengthening health systems in the three affected countries. These efforts will be part of the U.S. government's commitments to the larger Global Health Security Agenda.

Restarting Health Services and Systems in Liberia, Sierra Leone, and Guinea

Sierra Leone and Liberia are only ten years removed from brutal and destructive civil wars. Their health systems, already degraded by years of conflict and neglect, were vulnerable to an Ebola outbreak. The Ebola crisis has since paralyzed existing systems and put an enormous burden on what was already a strained health care workforce. For example, since the Ebola crisis hit, immunization rates have dropped significantly, maternal mortality has increased, and malaria cases are increasing. Liberia, Guinea, and Sierra Leone were among the poorest countries in the world with the highest levels of preventable deaths of children under-five before the outbreak; the health status of the poor and vulnerable in these three countries has declined since the outbreak.

USAID seeks to integrate capabilities and assets we have built up during the response to Ebola—including trained healthcare personnel and advances in information systems—into the health care systems of the affected countries. This integration will require adjustments to how the health care system hires, incentivizes, and compensates staff as well as manages clinics, pharmaceuticals and core information systems to deliver basic care safely. For example, thousands of health care workers in Liberia, Sierra Leone and Guinea have now been trained in infection control standards as part of the Ebola response. USAID is scaling up these efforts to support non-Ebola specific health facilities, training their workers on infection control protocols and providing supplies, such as PPE.

To help health facilities provide a timely and effective response to future outbreaks of Ebola or other infectious diseases, we are seeking ways to improve their data and information systems and the communications technologies to enable more timely management of health data and response to outbreaks. Data systems are now in place in all three countries that can provide earlier indications of flare-ups and enable rapid response. USAID is exploring advances in diagnostics that reduce the difficulty of rapidly transporting blood samples over terrible roads and real-time data to better predict spikes and valleys in active cases. As these efforts must be maintained after the current attention and funding subsides, significant attention is being directed to ensuring their sustainability.

Bolstering Ebola Preparedness and Investing in Health Security and Investing in Health Security

USAID also aims to bolster Ebola preparedness systems in countries neighboring Guinea, Liberia and Sierra Leone. The aim is to stop outbreaks of Ebola or another infectious disease threat before they cross borders and to improve systems to detect and rapidly respond if they do. In addition to our efforts to stand up Ebola Preparedness and Response Plans in Liberia, Sierra Leone and Guinea, USAID is partnering with the CDC and WHO to help 13 other West African countries (Cote d' Ivoire, Mali, Senegal, Guinea Bissau, Gambia, Mauritania, Burkina Faso, Niger, Togo, Benin, Ghana, Cameroon, and Chad) develop and test their own national Ebola Preparedness and Response Plans. These efforts build upon the Public Health Emergency Framework developed by USAID and CDC, in cooperation with the WHO. Piloted in the Democratic Republic of Congo and Uganda, these guidelines helped to quickly identify and contain outbreaks of Ebola and Marburg virus in these countries last year.

Targeting first the countries immediately neighboring Liberia, Sierra Leone, and Guinea, we have undertaken assessments of each country's risks and needs using the new Emergency Framework. All 13 countries have developed Ebola Preparedness and Response Plans. With Congressional support, USAID and CDC is supporting implementation of these plans, including ensuring each country has at least one laboratory capable of detecting the Ebola virus and trained personnel at border sites to identify and manage suspect cases by the middle of this year. We will work with our multilateral partners to build the capacity of regional institutions to bolster cross-border surveillance and preparedness.

The Ebola epidemic has shown us the importance of the Global Health Security Agenda, launched by the United States with international partners in February 2014. This Agenda includes 44 countries from every region and seeks to advance a world safe and secure from infectious disease threats like Ebola and to bring nations together to prevent, detect, and rapidly respond to outbreaks before they become epidemics that threaten the global community.

Through our commitment to the Global Health Security Agenda, we will prevent, detect, and respond to infectious diseases threats. These investment s will prevent emerging diseases from

spreading, report threats in real-time, and establish needed capability for expert personnel and equipment to stop health emergencies before they become epidemics. We will establish measurable, long-term capacity in areas that have been shown to be critical for rapid prevention, detection and response to outbreaks like Ebola. These capacities include the ability to prevent the emergence and spread of zoonotic diseases, conduct real-time biosurveillance, a trained disease detection workforce, national laboratory systems, emergency operations centers, and national biosafety & biosecurity systems. For example, now that Ebola has emerged in West Africa, it is likely to reoccur periodically as the virus is endemic in certain wildlife in the region. With the FY 2015 Omnibus funds, USAID will track Ebola and other viruses in wildlife, increase lab capacity to process samples quickly, monitor human behaviors that increase opportunities for spillover, and improve disease surveillance systems to detect outbreaks in real-time. We will expand into new hot spots within Africa and other transit points where the threat of animal-borne diseases is highest. Similar to successes seen with H5N1 Avian Influenza where global health security investments reduce the outbreak from 55 countries to six, these investments will be more likely to detect Ebola and other threats in wildlife before they become human epidemics. Working closely with CDC and other U.S. departments and agencies, USAID will play a critical role toward the broader U.S. Government commitment to assist at least 30 countries in five years to achieve all of the GHSA target goals.

Mitigating Secondary Impacts

Ebola not only shut down health systems, but threatened livelihoods and rolled back development gains that took years to achieve. With support from Congress, we are beginning to address key secondary impacts with the goal of helping to rebuild more resilient systems that are better prepared to withstand future epidemics or shocks. These efforts will be critical to ensure regional prosperity and stability as well as our own national security.

Restoring Livelihoods and Economic Growth

USAID's Famine Early Warning Systems Network (FEWSNET) estimates that over 40 percent of Liberians, Sierra Leoneans, and Guineans will experience acute food insecurity this year. To date, USAID has provided nearly \$35 million to provide emergency food assistance to patients in ETUs, community care centers, and orphanages, to Ebola-affected families and to people in

quarantine. Through our partner, U.N. World Food Program, USAID has helped to distribute more than 35,000 metric tons of food to more than 2.6 million people in Ebola-affected regions of Guinea, Liberia, and Sierra Leone since August. Of the \$35 million provided to the World Food Program, nearly \$23 million was for locally and regionally sourced rice, oil, and beans, which is helping to sustain local trade.

FEWSNET analysis indicates access to food - rather than its availability - is the challenge facing households. Given the emergency appropriation, USAID plans to invest \$112.8 million to address urgent food insecurity to restart the functioning of local markets. USAID is partnering with NGOs working in the region to provide vouchers and cash transfers to households that lost their livelihoods and resupply farmers who ate their seeds or sold their tools in order to make ends meet so that they can resume farming.

For example, in January, we partnered with Mercy Corps to provide targeted assistance for agricultural inputs to households—125,000 people—in Liberia who are struggling to feed their families. Vouchers will benefit those in urban areas who have lost jobs and cannot afford to pay for food. USAID's Bureau for Food Security and Office of Food for Peace will deploy joint assessment teams to the three most affected countries to review the current agricultural and nutrition situation to identify priorities and gaps in the programs. We believe that these efforts, along with planned investments in West Africa's agricultural sector, will help prevent rising food insecurity and poverty rates in West Africa.

Expanding Citizen Participation

Ebola's rapid spread was fueled by the tendencies towards keeping government decision-making centralized in the capitals of the affected countries. Citizens' low confidence in their governments made people reluctant to accept care or information from government and health officials. However, as the Ebola response continued, citizens and civil society groups took actions to help their communities, supported by trusted local leaders. There is now recognition that community involvement made a difference in bringing down infection rates. Building upon this new opening, USAID will work to strengthen citizen oversight of and engagement with the governments of Liberia, Sierra Leone, and Guinea. We will seek to build the capacity and

provide tools that will enable communities, independent media, parliamentarians and local officials to have greater access to information and interact on issues of concern. A likely focus may be on jointly assessing how the government, communities, and local authorities worked together on this Ebola response and how they can collectively prepare to respond better in the future.

In Guinea, ongoing efforts to mitigate the risk of conflict, especially in advance of elections this year, will be expanded. An information campaign, funded by the Complex Crises Fund, has started to expand its network of traditional communicators and radio programs to overcome deep-seated government mistrust and misunderstanding about Ebola among tribal communities in Guinea's Forest Region. In all three countries, these efforts will be critical to strengthen public confidence in government, and ensure an effective and transparent Ebola response and recovery.

Investing in Education

The safe reopening of schools will be a critical sign of the ability of government to deliver a highly valued service. Simply reopening schools, however, will not be enough. In Guinea, where schools have reopened, data reveal that only 27% of students have returned. With Congressional support, USAID is actively working with school authorities in the affected countries to test protocols and train teachers on how to manage suspected cases of Ebola, including informing parents or guardians, and transporting possibly infected children to facilities for further investigation. We are helping integrate Ebola awareness into the school curricula and install hygiene and hand-washing stations to keep children and teachers safe – and reassure parents.

Harnessing innovation to fight Ebola

Our response remains guided by continuous assessment, learning, and innovation. By harnessing the power of crowdsourcing, competition, and partnerships, we believe we can do more to improve response and preparedness for future outbreaks. To catalyze innovation in our response, President Obama launched *Fighting Ebola: A Grand Challenge for Development*, a grant competition designed to generate new ideas and technologies for PPE and Ebola control to increase the speed and efficiency of our response today and in the future. The Challenge,

implemented by USAID will invest in as many as 15 innovations to improve healthcare workers' safety. Three teams, announced in late December, will produce redesigned PPE that builds in cooling components, better visibility and safer removal; a long-lasting antiseptic that provides pathogen protection for health care workers; and a spray-on barrier protection that repels microbes, with the goal of eventually allowing healthcare workers to use more breathable fabrics when treating future epidemics of Ebola and other infectious diseases – critical to reducing healthcare worker infections in hot environments.

CONCLUSION

In our fight against Ebola, we have seen great suffering, but also scenes of survival and resilience. Patients can beat this disease. The U.S. government in collaboration with our international partners, including many volunteers and NGOs, can beat this disease. To get to zero, we must remain vigilant.

This unprecedented epidemic has required a herculean global effort. And we have seen how America's leadership galvanized a worldwide response from governments, NGOs, and volunteers.

Ebola underscores the importance of tackling fragility and extreme poverty in these poor countries. It quickly debilitates weak institutions and systems, wreaking havoc in communities least prepared to fend off the disease. We strive to not only reach our goal of getting to zero Ebola cases in West Africa, but strengthen health systems, enable societies to fend off future threats, and allow those who lost ground to return to a path of prosperity and stability. These efforts are core to USAID's mission to end extreme poverty and promote resilient, democratic societies. They are also critical to America's interests and security at home and abroad.

We want to honor the humanitarian workers, health care providers, and all Americans working to turn the turning tide in West Africa. What they have accomplished and continue to achieve represents the best of what America has to offer.

Thank you for the vital Congressional support that makes these efforts possible.



BIOGRAPHY

Dirk W. Dijkerman

Executive Coordinator,
Ebola Task Force



Dirk Dijkerman is the Executive Coordinator for the U.S. Agency for International Development (USAID), Ebola Task Force where he leads its continuing response to the Ebola epidemic in West Africa.

For the previous two years, he served at the Organization for Economic Cooperation and Development (OECD) as Special Advisor to OECD on their Strategy for Development. Before being part of OECD's senior staff, he served as the U.S. Government representative to the Development Assistance Committee (DAC). In this capacity, he co-led an international effort to increase the use and quality of country systems by donors and partner countries and served as the U.S. negotiator for the Busan High Level Forum on Aid Effectiveness that created the Global Partnership for Effective Development Cooperation. He also championed a strategy to share OECD's knowledge and policy experience and to analyze shared economic and social challenges with developing nations. This culminated in the organization's first ever OECD Strategy on Development and a new organizational vision statement adopted by all member governments.

During his time with USAID he acted as Assistant Administrator for the Bureau for Democracy, Conflict and Humanitarian Assistance; he served as Chief Operating Officer in the Office of the Director of U.S. Foreign Assistance; and as Deputy Assistant Administrator in USAID's bureaus for policy and planning and for Asia and Near East affairs. Overseas, he served as Mission Director in the Republic of South Africa, Rwanda, and the regional mission covering East and Southern Africa, where he was responsible for technical and administrative support to bilateral USAID programs in the region. He left USAID as a Career Minister in 2012 to assume a two-year position at OECD. Dirk obtained his Ph.D. at Cornell University and taught development to senior leaders in the U.S. and other national armed forces.



BIOGRAPHY

Jeremy Konyndyk

Director, Office of U.S. Foreign Disaster Assistance



Jeremy Konyndyk is the Director of USAID's Office of U.S. Foreign Disaster Assistance (OFDA), the lead federal office responsible for coordinating the U.S. Government response to international disasters.

With a mandate to save lives, alleviate human suffering, and reduce the economic and social impact of disasters, OFDA monitors, mitigates, and responds to global hazards and humanitarian needs as they arise. As Director, Mr. Konyndyk leads a global staff of approximately 300 people and oversees annual resources of more than \$700 million.

Prior to working at OFDA, Mr. Konyndyk's career straddled both policy and operational aspects of humanitarian response across a variety of countries and crises. From 2008-2013, Mr. Konyndyk worked for Mercy Corps, a large global relief and development organization. As their Director of Policy and Advocacy, he led high-level strategic outreach to governments, donors, the United Nations, and other partners on a range of issues with a particular focus on resilience and response to humanitarian crises in Sudan, Syria, and the Horn of Africa. From 2003-2008, he served as Country Director for the American Refugee Committee in South Sudan, Uganda, and Guinea, designing and leading operational humanitarian responses in complex conflict and post-conflict settings. Mr. Konyndyk earlier served as a Refugee Officer with the U.S. Department of State's Bureau of Population, Refugees, and Migration where he managed the Bureau's program portfolio for the Balkans. In addition, he led non-governmental organization (NGO) relief programs in Kosovo and Albania following the Kosovo refugee crisis of the late 1990s.

Mr. Konyndyk has written and commented widely on humanitarian assistance and humanitarian policy and served as a witness and frequent advisor to U.S. Congressional committees and staff. Mr. Konyndyk holds a Bachelor's degree from Calvin College and a Master's from Georgetown University's School of Foreign Service. He is fluent in French.

Ms. GRANGER. Mr. Dijkerman, you are now recognized. Thank you.

Mr. DIJKERMAN. Thank you, Madam Chairwoman Granger, Ranking Member Lowey, and members of the subcommittee. Thank you for the opportunity to update you on our strategy moving forward and building on the effort that we have underway to get to zero. To contain diseases like Ebola, we are focusing on building more resilient health and preparedness systems in West Africa and in other hotspots in Africa. Our goal is to detect, prevent, and respond to future outbreaks before they become global security threats.

Let me outline our efforts. USAID proposes to invest nearly \$440 million of the Ebola emergency funds in bolstering health and preparedness systems. These efforts will contribute to the Government's goal of strengthening health security through the Global Health Security Agenda. In the three most affected countries, USAID will begin to integrate the capabilities built up during the response phase into the existing healthcare system. This should help us safely restart healthcare services that have stopped because of Ebola and prepare the system to address future outbreaks.

We will also work to institutionalize the data and communication capabilities necessary to detect future flareups and direct rapid responses. In the 13 West African countries most at risk of future Ebola outbreaks, we have supported the development of Ebola preparedness and response plans, and we are now testing them. These plans build upon earlier guidelines that we and others developed to contain Ebola and Marburg outbreaks in Central Africa last year. The focus here is preparing for and managing cases resulting from human-to-human transmission.

Furthermore, we are expanding our viral surveillance program and mitigation efforts to track and contain viruses in wildlife in West Africa and other hotspots. Our focus here is upstream to detect and take actions that will mitigate the transmission of diseases like Ebola from animals to humans before it happens. This approach has proven successful in reducing outbreaks of H5N1 or bird flu. While addressing these health issues, we should not forget that Ebola hit hardest in three fragile states where half of the population lives in poverty. Ebola reduced economic activity. People lost their jobs, their incomes, and many are now less able to feed their families.

Our best estimates right now show that over 40 percent of Liberians, Sierra Leoneans, and Guineans are projected to experience acute food insecurity this year. We plan to target food vouchers to vulnerable families and individuals, both in urban and rural areas. Building upon the community mobilization efforts that have been recognized as having helped turn the tide in the Ebola response, USAID will seek to strengthen citizen oversight and engagement with the three governments. We are also working with school authorities to safely reopen schools and get children back on track.

By harnessing the ideas of others, we are leveraging our response to Ebola. We launched a competition that could result in up to 15 innovations to improve healthcare safety and patient safety. Our first awards included a redesigned personal protective equipment with a built-in cooling system. If you have been to Liberia,

you know how hot and humid it gets. Another innovation is a long-lasting antiseptic spray and spray-on barrier that repels microbes. We have another announcement that we will be making today, announcing another 15 innovations from universities and others that will help us in this fight against Ebola.

Striving to get to zero new cases, strengthening health systems, and assisting those who lost ground are the best investments in helping these three countries return to their path of growth and stability. These efforts are at the core of USAID's mission to end extreme poverty and promote resilient democratic societies. They also contribute to Americans' security at home and abroad.

And, in closing, like my colleagues, I want to honor the humanitarians, the healthcare providers, the military men and women, and all Americans who are working to turn the tide in West Africa.

And, most importantly, I want to thank you all for the congressional support that made these efforts possible. Thank you.

Ms. GRANGER. Thank you very much. We will now go to questions, and now you can see how much time you have used. If you will limit the length of your question, we will have time for two rounds. I know people are very interested in this hearing, and I will begin with the first question.

The Ebola response in West Africa required contributions of several U.S. Government agencies, not just those represented in the room. The Department of Defense and the Centers for Disease Control and Prevention have been key players.

Ambassador Browning and Mr. Konyndyk, as the response evolved, how did the administration ensure there was coordination among the agencies and no duplication of effort? And are there more changes that need to be made? What lessons have you learned from this crisis? And what should be done differently in future global health emergencies?

Ambassador BROWNING. Thank you very much. I think the key point is that we initially recognized the comparative advantage of the various agencies. In my own work in Uganda, when we were rolling out PEPFAR, we learned very quickly that CDC has strengths; USAID has strengths; DOD has its own abilities. And the administration looked to these agencies to use these comparative advantages when we first responded.

USAID has the lead on the ground, and through their DART teams, their disaster emergency response teams, they coordinated the activities of all the various agencies. As far as back here in Washington, it was a very emotional, chaotic time. And we were looking for the best way to respond. Eventually the administration decided to bring on board Mr. Ron Klain, who helped bring together all of the agency responses and provide some structure to our response.

Ms. GRANGER. Thank you very much.

Mr. KONYNDYK. I don't have a great deal to add to what Ambassador Browning said. I would just note that the focus on inter-agency coordination has been a core part of USAID's mandate and focus for many years and something that we have invested further in, particularly since the Haiti response in 2010. And so what we have seen in this response, I think, is a proof of concept of some of the investments we have made since Haiti in being able to iden-

tify and organize and coordinate, as Ambassador Browning put it, the respective comparative advantages of different agencies.

I think the other thing that has been critical is the excellent collaboration between our teams on the ground. The USAID and CDC personnel, in particular, worked very closely together.

With respect to DOD, that is also an area where USAID has invested a lot of effort over the years in defining systems and interoperability between our different machines, if you will, and we have seen the real payoff here.

Ms. GRANGER. Thank you very much.

I will now turn this over to Mrs. Lowey for questions. Thank you.

Mrs. LOWEY. Well, thank you, again. We have really been impressed with your leadership and, equally important, the results you have achieved. However, I think, from my perspective, I remain concerned with the weakness this exposed in the WHO that receives a contribution from our bill. On January 25, the WHO's executive board unanimously endorsed a resolution aimed at overhauling its capacity to head off and respond to outbreaks and other health emergencies. Clearly, we need a better system to react in a more effective and timely way.

Could either of you respond about what we have learned about the role of the WHO and what prevented it from acting? I know that Dr. Frieden is a member of the WHO's Executive Board. Is the CDC the agency within the United States Government that has been charged with seeking reforms that will make the WHO more effective, or does that fall under Secretary Kerry as the WHO is the coordinating authority for health within the United Nations system?

So how do we really ensure that, in the next outbreak, we have the emergency health workers, funding for the development of vaccines, and proper treatment regimes in place? And where does that fall within the responsibilities of WHO?

Mr. BROWNING. Very good questions, which I am happy to respond to, and then I will ask my colleagues to also help. In general, we support the United Nations where and while they are adding value. And when they are not, we want to enhance their ability to do well. And in the case of WHO, clearly there were some missteps in the early response by WHO.

We have met with WHO leadership since then here in Washington and in Geneva. I am convinced that Dr. Chan has recognized that WHO did not do well in the early response. They have come up with some proposals that we have endorsed, some changes in their structure and in their ability to respond. They are proposing that the development of a cadre of global health workers—that was one of the initial weaknesses—that this cadre, much like firefighters who have been trained and prepared and ready to go when called upon, that didn't exist in the early days.

They are proposing an emergency fund that they can tap into so that their response is not dependant upon pledges and remittances and receipt of money from the member states. And they are changing their staffing proposal so that it is based on merit and not geographic preferences from the member states. So these are improvements, changes, that we think are warranted. We are going to help them work toward these changes.

As far as the U.S. Government response, Dr. Frieden is on the board. Secretary Kerry retains his leadership role in all of the United Nations' entities. My understanding is the Board membership requires that the member be a physician, and so Dr. Frieden was tapped in addition to his medical credentials but also because of his CDC membership.

Mr. KONYNDYK. As Ambassador Browning said and as Director-General Chan has acknowledged several times, WHO's initial response had a lot of problems. However, what was particularly notable when I traveled out there in August was the vast improvement we saw in their performance once they got their emergency team involved. So their emergency team, while small and traditionally underresourced, brought some really important capabilities and some very, very strong personnel to the effort. And they rapidly got an additional ETU online in Monrovia in September and have brought value in various other ways as well, and we have supported them, as Ambassador Browning said, where we have seen them adding specific operational value.

I think the challenge for the WHO and what we are trying to push from the USAID side through some of these WHO reforms is to take those valuable contributions and figure out how to better institutionalize those within WHO. And if they can achieve that—and we think they can—then that will be a huge contribution.

Mr. DIJKERMAN. If I may, in terms of preparedness going forward, WHO has proven to be a very useful platform for us and CDC to advance some of the ideas and lessons we are learning. They were instrumental in helping adopt the 13 component standard that we need to have in place in the 13 countries to prepare for Ebola. And because we did it at the WHO, we were able to involve many other countries.

The fact that we have been able to conduct 13 assessments and start response programs and not have to pay for it all ourselves but share it with other members of the WHO has enabled us to move much faster than we otherwise could.

In addition to that, I focused on the Ebola preparedness on the human-to-human side, but if we look at the work that USAID is also doing on the animal-to-human transmission, we there, too, have been able to work through the WHO and get the adoption of a One Health approach, whereby we bring together not only the ministries of health in the countries in the region but also the ministries of agriculture and the ministries of security and policing, so that we get a comprehensive response to diseases like Ebola in the future. And it helps us figure out how to engage—in the United States we, for example, put together a 25-university consortium to work on veterinary sharing of best practices across countries. Bringing those capabilities together through this structure has enabled us to mitigate some of the transfer of diseases from animals to humans by changing practices on the ground in those countries, by having the veterinarians work in different ways, by changing market practices and so forth.

So the WHO structure allows us to really leverage what we are doing. And so certainly there are areas for improvement, and I think my colleagues have identified that, but we have been able to

use the structure to advance U.S. interests and U.S. priorities on global health security.

Mrs. LOWEY. Thank you. Thank you, Madam Chair.

Ms. GRANGER. Thank you.

Mr. Diaz-Balart.

Mr. DIAZ-BALART. Thank you very much, Madam Chairwoman.

First, an observation, which is when this subcommittee spends hard-earned taxpayer money for health efforts around the world or education efforts—something that the ranking member is very key on—or security efforts or human rights efforts around the world, I think the Ebola crisis really demonstrates that we really do it for our national interest. It is to protect the interests of the United States, and I think that was a very clear demonstration of why it is important to look at elsewhere and try to deal with these issues sometimes over there so that we don't have to deal with them here. And that was a great example of that.

Now, there were some gaps, obviously, at the beginning. For example, we had a healthcare—facility here, I think it was only one, that was exposed here, and then we had a couple of healthcare workers who were exposed. It reminds me of, Hurricane Andrew in the State of Florida, where we were clearly ill prepared for the storm. After Andrew, Florida became, frankly, I will tell you, the national leader as far as preparedness for future storms.

What are the lessons that you have learned—I am talking about here domestically—so that, hopefully it won't happen again? The chances are that we will have something else and it might—not be Ebola, it may be something, frankly, even more deadly, even worse, even more contagious than Ebola. What are some of the lessons, that the case of the exposure of the healthcare workers taught us so that we are better prepared in the future when we do have another incident, which may not be Ebola, may be something more dangerous?

Mr. BROWNING. Certainly. I am happy to respond to that. While, for the State Department, our focus is foreign and overseas, we certainly care about the domestic response. And CDC and HHS take the lead here for domestic preparedness. I think one of the lessons we have learned in the State Department is that our national security does not begin and end at our borders. We must work to ensure that the health preparedness of nations around the world is strong enough to protect us and them from these diseases. And they will continue. They will grow. And we must not forget the lessons that we learned in this particular response.

We were able to look at our visa operations. We were able to look at our ability to screen visitors to the United States. And so that is one procedure that we have improved that will help our domestic security particularly.

Mr. KONYNDYK. So for USAID, we are obviously focused internationally. So I don't have so much of an opinion on the domestic piece. But, you know, one thing that does, I think, touch on the domestic piece is the importance of being able to quickly mobilize U.S. healthcare personnel for something like this and what that entails, and so that has been things like State's great work on getting a medevac system up and running and as well as working with our

partners to develop systems for how they can identify and deploy these medical staff quickly.

Previously, a lot of our partners had trauma staff who could deploy on short notice, but they didn't have staff on call or volunteers on call who were trained and able to go and do something like this. So having more of a standing capability and a reserve pool of U.S. healthcare workers who can respond in this kind of a situation is something that we have definitely taken away as a lesson.

Mr. DIAZ-BALART. I would imagine part of that is equipment, too. I mean, this is not—

Mr. KONYNDYK. Absolutely.

Mr. DIAZ-BALART. You just can't show up there without, you know, protective gear.

Mr. KONYNDYK. Absolutely, and we have worked quite closely with the private sector on ensuring that there has been a constant supply of enough personal protective equipment.

Mr. DIJKERMAN. Thank you.

One of the lessons learned, I believe, that we are trying to convey is an international one, and that is we see some complacency setting in in places. We haven't beat the disease. And one of the things the United States needs to do in its messaging is to make sure that both in the countries that are most affected but also internationally we keep the focus on getting to zero because it is possible for one case to flare up. We need to remember this did start with one case. And so we have a leadership role in making sure that we keep everybody focused on that.

By the same token, we need to keep focused on the fact that we were very lucky with this disease. It was transmitted by contact. And if we think about it, it could easily have been airborne, and then the situation we would have had would have been dramatically worse. So we need to keep the focus on a global security agenda that benefits not only ourselves but the entire world.

And, lastly, I think a benefit that we have seen from other efforts that we brought to this one is the ingenuity or the innovation that is found in the United States can be brought to bear, and we have brought it to bear to the Ebola crisis. We have already had one grand challenge round that I mentioned. Today we will be announcing another 15 innovations that will help healthcare worker safety and patient safety. These are—I will let the press release come out later, but these are pretty neat things that are going to make a difference in people's lives in future outbreaks.

Ms. GRANGER. Thank you.

Mr. RUPPERSBERGER.

Mr. RUPPERSBERGER. Yes, Madam Chairman, thank you, and it is good to be back on this committee. It is my first hearing. So I am the rookie.

First thing, I want to thank you all. You can always learn to do better. You know, if you look at the world, the world looks at the United States to protect them from pandemics, terrorism, a lot of issues. And we are good because we have good, trained people.

I want to talk about using technology to help. Ending the Ebola outbreak will continue to demand significant human and financial resources, especially having to identify and monitor Ebola cases in

remote areas. You are going to have to project human resources capacity, human resource needs.

Now, I happen to have in my backyard Johns Hopkins University and University of Maryland, who were very active with you in this case. And I want to talk about Johns Hopkins University houses an advanced supercomputer simulation and modeling center. The center has the ability to construct artificial worlds populated by virtual people programmed to respond as people would to real threats, such as infectious diseases like Ebola. The result is a highly visual and spatially realistic window into epidemics dynamics. And by incorporating psychology and human behavior, including contagious fear issues, the center's simulation models can help predict how complex societies and health systems might respond to a given event and what the ripple effects might be as the scenario unfolds.

So my question is, starting with you, Ambassador Browning, do you think modeling, which I am talking about here, as an example the Johns Hopkins' supercomputer that I just talked about, would be useful to predict human future resource needs and where to have future resources available to address flareups or outbreaks, such as the Ebola situation?

Ambassador BROWNING. I sure hope so.

Mr. RUPPERSBERGER. Let's talk about—where my question is really focusing on, technology, medical modeling, and the supercomputer at Johns Hopkins.

Ambassador BROWNING. No, I think, as the opening remarks made clear, in the early days in the summer of 2014, the models were all over the place, and they were predicting up to half a million. I have seen one of over a million cases a year if there were no interventions conducted. This was not helpful data for us. I mean, it was the best we had, and we responded with the data that we had, but Ebola virus disease moves around. It is a living, breathing creature, and it was really hard for us to keep a handle on its evolution and its development. So any kind of modeling that can factor in all the multiple factors, particularly the psychology of it—and this is what we are seeing on the ground today. We have got the medicine. We can deal with the medicine, and there are some behavioral changes that will come into play. But when people are afraid of their government, when people run away from healthcare workers, when people are distrustful of outsiders, it makes our job incredibly difficult. So, with hard data that a model like you are talking about, if that could give us more precise information on how to deal with it, that would be superb.

Mr. RUPPERSBERGER. Let me ask you this. Are you familiar with the supercomputer I am talking about at Johns Hopkins?

Ambassador BROWNING. I am not.

Mr. RUPPERSBERGER. Okay.

Is anyone here at the table? Then I would suggest that you make contact with them.

Ambassador BROWNING. Sure.

Mr. RUPPERSBERGER. I think this is innovation that makes us better, and it does the modeling that we are talking about.

Ambassador BROWNING. Sure.

Mr. RUPPERSBERGER. Including dealing with the issues of fear.

Ambassador BROWNING. Okay.

Mr. RUPPERSBERGER. I yield back.

Ms. GRANGER. Thank you.

Mr. Crenshaw.

Mr. CRENSHAW. Thank you, Madam Chairman.

You talked some about the problems of coordination among the different agencies. I want to talk a little bit specifically about the military. But, before that, I understand, as relates to the military, that the Administration is going to bring home—I think they had 3,000 troops in West Africa, and most of them are home or going to be brought home soon. I guess that is the good news. There was criticism early on that it was slow, it was bungled, and that we didn't really meet the immediate need. But now it raises the question, is this too early to say we solved the problem and bring all the folks back home? Because, as I understand it, you would certainly not say it is over and there is still a lot of work to be done?

That is the broad question. But let me specifically ask about the military because they were some of the first responders. People always say, "why are we sending the military there?" I think we came to understand that they were there to provide logistical support. They were there to train healthcare workers and build some of the infrastructure. But there were criticisms—and we are learning a lot as we look back—that there were 17 Ebola treatment centers. Some people argued it took too long to execute, and then they say some of those structures weren't used.

I want you to talk about that. We have the best-trained, best-equipped military in the world, obviously, and the question is, is this the best use of the military? Were they adequately trained?

You work with all these other agencies. Would you say, as you look back, that sending the military over there to build those units was that the right choice? Or as you look back, might there have been a better response? So talk about that specifically and if we were slow to get there or if we are, are we too quick to go home.

Ambassador BROWNING. Let me address part of that, and then Jeremy, who has been working with them on a daily basis, I think, can get into much more detail. I do not believe it is too early to bring them home. I think now is the time to bring them home. We asked them to accomplish a discrete number of objects and procedures, objectives and programs. They have done that. We are leaving behind 102 uniformed personnel. They will continue to work very closely under AID's leadership in Liberia. And if there is a resurgence of Ebola virus disease, they will have a platform upon which they can build very rapidly. And this is one of the things that was missing when the military first came in.

But we don't think that will happen because, in large part, due to our military's efforts, we have systems in place. We have physical facilities established now that we didn't have in the summer of 2014. So I think now is the right time to bring them home. We want to make sure that everyone there is fully engaged and employed. And I think the number they have come up where and the modules that they have identified in consultation with AID are the right ones to keep our military there.

Mr. CRENSHAW. Thank you.

Ms. GRANGER. Thank you.

Mr. CRENSHAW. Is the military the best? As you look back, are there other agencies that might have done this better? Was this the right thing to do, or was it an emergency and it was the only thing we could do?

Mr. KONYNDYK. This was absolutely the right call, yes. What the military brings is an unprecedented operational speed and scale that really no one else can match. And that is what they brought here.

To the question in some of the reports about the timing of these centers being built and coming online they are complex, difficult things to build. And Liberia, and particularly rural areas of Liberia where the military was doing the construction, is just extremely logistically challenging. I do not believe anyone could have done it any faster than our military.

On the question of empty facilities, there are some of them that are not seeing many patients, and that is, in our view, a very good thing. And the reason for that is, you know, when we started this, we were trying everything that we thought might work. And we have adapted and adjusted that over time as we have seen what has delivered. And to our great relief, some of these things that did come online very quickly, things like burial teams, had an impact that was greater than what we expected at the time. And so we scaled down the size of these centers as they were being built. We scaled down the size that they have opened at—they were originally going to open with 100 beds apiece. Most of them now are opening only with 10 or 20 beds apiece because that is the level of demand we expect to see.

In terms of whether we are pulling the military out too early, the military went there to do a few specific things: Logistics, that has largely been handed over. The resupply of the treatment facilities was handed over to the United Nations successfully in December. The construction is now completed. The training piece is now completed. The Monrovia Medical Unit was completed. And their support to that is being transitioned to a USAID contractor. And their laboratories are being scaled back but will remain under a different DOD program under this new iteration. So we feel very confident that all those main lines of effort are being effectively transitioned and will not leave gaps.

Mr. CRENSHAW. Thank you very much.

Thank you, Madam Chairman.

Ms. GRANGER. Thank you.

Mr. Serrano.

Mr. SERRANO. Thank you, Madam Chair. It took me over 20 years, but I am back on this committee. And I am glad to do so.

Very briefly, I have a comment before I have a question, and that is, I think I speak for all my colleagues on behalf of this Congress and representation of this Nation, when you get a chance to thank those people who volunteered and those folks who went over—and thought of themselves—I know, in New York, people tried to be brave, but we were thinking about the subway going near NYU hospital, going downtown, riding a bus. We didn't know what we were dealing with, and these folks gave so much love and compassion of themselves that I think this Nation has to show its gratitude. So, if I may, for all of us, when you run into any of them or

those people in charge, tell them how grateful this Nation and this Congress is.

My question. Farm production in the region has decreased in areas hard hit by Ebola, as farmers in some affected areas fled to areas seen as safer from exposure to disease. What actions has USAID undertaken to ensure that farm production in the region increases again to the level seen before the Ebola outbreak because I don't think what we want is on top of this issue to have yet another issue of longer or more hunger that may exist in the region already?

Mr. DIJKERMAN. Thank you. I think I will capture that question right now and turn it over to my colleagues if they want to add. The analysis that we have done through another USAID instrument called the Famine Early Warning System and supplemented with work by the UN World Food Program and the Food and Agriculture Organization have pointed out there are areas where production has gone down, but overall, production has not gone down as much as one would have thought.

What we are seeing is that there are more issues of access to food by people, particularly those who have lost incomes, and markets have stopped functioning because there were border closures. So what we have focused on—and when I mean “we,” I mean our Office for Food for Peace but also through Feed the Future, working in conjunction with the World Bank and many other international organizations is trying to get the markets functioning again. So, rather than bringing in food aid to meet people's needs, we are looking at giving vouchers so they can access the market and get the markets functioning, get the food supply going again.

In some cases—I think this will be more a function of the World Bank—we are looking at what seeds and tools may be needed to increase production again because we are getting indications that, in certain areas, farmers are eating their seed, if you will, and so we do worry about that.

Overall, we are projecting that there are going to be well over 6 million, closer to 7.5 million people that will be food insecure, both in urban areas and in rural areas, so the responses that we are trying to focus on are to get the markets functioning, get people access back to the private sector flows, if you will, rather than bringing food in from abroad.

The other thing that we are focusing on is there are people that were disproportionately disadvantaged by Ebola compared to others. So we are putting together targeted food programs and voucher programs to get them not only back into the market but see how we can encourage them to get back to health centers. Simply reopening a health center is not in and of itself going to solve the problem. People need, as Ambassador Browning said, to have the confidence that they can go to that health center and not get sick.

So we are looking at not only reopening health centers but also doing things through communities. So if they come in with a voucher and they get immunized, they can get a voucher to go to the market. And through that process, we can educate them that there is increased safety in getting health services again. And this will help, again, some of the most vulnerable—the orphans, the women, who disproportionately take care of the children and who have lost

earning capacity in markets and other types of things. So we are trying to focus not only on the farm side but the whole package in urban and rural areas for those that have been particularly disadvantaged by Ebola.

Mr. SERRANO. Thank you. That was a very informative answer, and when you say get them back in production or in the market, that is also encouraging farmers who left to come back to their land, I would imagine.

Mr. DIJKERMAN. Yes. And one of the other things we are trying to do in this response is that before this crisis started, we had ongoing development programs. So, for example, we have a program at USAID based on Feed the Future, and they have had a number of long-term interventions going on that have stimulated rice markets, supported processing in rice markets to get more value added. So the World Food Program has actually been able to buy rice locally from these institutions that we helped create.

Now, in the planning process going forward, we are sending out teams from our Office for Food for Peace that focus on vouchers and food, and sending them out with our Feed the Future folks so that as we design these immediate response programs to help people in need, we are also trying to modify our ongoing development programs to see what opportunities might be out there, not only in Liberia but in Sierra Leone and Guinea, to see if we can wrap around some of these other longer-term investments with some of the short-term problems we have identified. Thank you.

Ms. GRANGER. Thank you.

Mr. Stewart.

Mr. STEWART. Thank you, Madam Chairman.

And as the new member of this subcommittee, the guy who is sitting here at the very end of the row, I would like to thank the chairwoman for the opportunity to work on this very important committee.

And to the witnesses, as I read your bios, it is impressive. And it makes us grateful that we have got individuals like you, who are engaged in what I think is obviously a very important cause. And many of you committed your entire lives to these types of efforts. And we thank you for that.

I would like to express a concern. I may ask for your response, and then I would like to ask a question. But before I do that, my concern is this, as a former military officer, as an Air Force pilot for 14 years, it concerns me the role that the military has been asked to play in this. And when I talk with some of my associates who are members of the military still, it makes me more concerned. They were, in some cases, deployed without the training that they felt that was necessary, without some of the protections that they felt was necessary, and that makes me—again, gives me some cause.

It is kind of like we have this attitude—and I don't blame us for this, and it is a compliment to the military that that is a fact—but it is like we sometimes throw our hands in the air and go, Well, I don't really know what to do, let's call the military and let them take care of it. And many times we do, and when we do that, they always do take care of it. I mean, we are grateful for their abilities

and their sacrifices, but we have to remember that it doesn't come without a cost.

For every military member that is in West Africa, that is a military member and another dollar spent that could have been spent or used in their core mission. And I think this falls outside of that.

I would ask you to respond to that, but I think you have in some part already. And I would really actually like to spend my time on something else. And that is, I am an appropriator. As an appropriator, we are interested in the money. And it seems, in this case, we did something that Congress often does. And that is, when a crisis arrives, we throw a bunch of money at it. And then, you know, we hope that things go well. And sometimes we don't follow up or hold accountability toward that money like we should. And I don't think we want to do that in this case.

So my question is, as I understand it, the State Department and USAID, the Ebola Response Preparedness Fund was appropriated something like \$2.6 billion, of which we have only spent a part of it and probably a very small part of it. So I would like you to tell us, you know, what is in the remaining funds? And what is our intentions with those, you know, something more than a billion dollars that is left unspent?

Ambassador BROWNING. Our plan is to make sure that we have addressed the need with the money available, and when that has reached its conclusion, the money returns.

Mr. STEWART. Mr. Browning, do you have an accounting of that? Do we know how much has been spent of those appropriated funds, even a ballpark figure?

Ambassador BROWNING. I think we do—I don't, but the panel does.

Mr. DIJKERMAN. Yes. Well, actually what the committee wrote into the act is that we report every 30 days, and the next spend plan is going to be coming up pretty shortly. And I think the other important message we received from the subcommittee and in our discussions is that we know this is an emergency response, and it will evolve as we go. The benefit of having a 30-day report to the subcommittee is that we can show how our knowledge and our response will evolve, and if we finish the job before we have spent all the money, then, as the Ambassador said, we will tell you.

Mr. STEWART. But you would anticipate that we would finish the job before we spend all the money because this is winding down. Is that not true?

Mr. DIJKERMAN. When the budget proposal was put together, we were clear with the subcommittee that we were anticipating a worst-case scenario. And so there is a likelihood that something might be left over.

Now, how that will work out, we will have to see because we are not yet at zero. One of the challenges that we are working through, as I mentioned earlier about complacency, is that getting Ebola to zero in the other 24 examples that we have, it is, as Jeremy said, a bumpy road. This is the first time that we are trying to get to zero in a very large-scale Ebola outbreak. We are hopeful. We are confident, but I think we need to be cautious. And we will be reporting monthly to you as we do that.

In terms of the funds being disbursed, we have been able to reimburse over \$300 million of the funds that we have used from other accounts, and we have already committed roughly \$100 million to new emergency response activities. And there are other things that are in the pipeline that focus on preparedness that we are coordinating with the other donors. Let me maybe let Jeremy add a few points here.

Mr. KONYNDYK. So, just briefly, for the response piece, which is about \$1.2 billion of that, as you noted we are right now ahead of where we thought we would be when we put the budget together. There are a lot of twists and turns that could yet arise. So if we were to see it reemerge in a neighboring country like Mali or Ivory Coast, that could scramble things quite considerably. So I think on the trajectory that we seem to currently be on, then I think we are on track to probably underspend what we thought.

Mr. STEWART. Okay. My time is up. Let me conclude with this. You know, I am familiar with the use-it-or-lose-it mentality, as we all are, but I am asking you not to take that approach to this. We want to accomplish this goal and this mission. We all do. But, on the other hand, the fact that we have this pool of money there does not mean that every penny has to be spent. And we would look to you for accountability as to how that money is spent and returning to the people what money is not necessary.

Mr. KONYNDYK. Absolutely.

Ms. GRANGER. Thank you.

Mr. Fortenberry.

Mr. FORTENBERRY. Thank you, Madam Chair.

This is a terrible dilemma because I have two hearings at once. So I apologize if some of the things that I may ask may sound redundant. And let me echo my colleague Mr. Stewart's comments. This is my first committee hearing on foreign operations, and I look forward to our robust dialogue.

And thank you for your leadership, Madam Chair, and our ranking member, Ms. Lowey.

Ambassador Browning, first of all, let me thank you all for your commitment and your intense passion on getting this right. I am from Nebraska. As you know, Nebraska has played a—I think it is safe to say—critical role in meeting the demands of treatment and trying to convey best practices to try to halt and stop the disease as well as treat those who have been impacted. So not only, obviously, do we have an interest, deep interest, in this for the sake of the proper humanitarian reasons you pointed out and international stability, but it also affects us right at home. In that regard, the initial reports, which were just a few months ago, were dire and ominous. And we were talking about the good news of slowing the exponential growth rate, the good news being we have had a what seems to me to be a complete turnaround from that perspective in spite of the tragedy of nearly 10,000 lives being lost.

What is the single biggest factor that resulted in this turnaround that you can point to? Now a lot of things have converged here, and you have talked about the infrastructure brought to bear, the leadership of the United States, the basic improvements in sanitation, changes in cultural practices, and I see all that. But, obviously,

none of this was predictable, I would say, 3 months ago. Can you answer that briefly? And I want to go to a couple of other things.

Ambassador BROWNING. I don't know. So many factors.

Mr. FORTENBERRY. How refreshing.

Ambassador BROWNING. I say it quite often. I think it is hard to identify one factor that stands far and above the others. It is just hard to separate them, but perhaps Jeremy can do that.

Mr. FORTENBERRY. I think we obviously need to lift from this so that we don't give ominous portents if something breaks in the future because we have an experience now of best practices and obviously some template that could be scaleable quickly based upon our learning of the last few months.

Mr. KONYNDYK. And Dirk will speak to that. What I would say, based on what we have seen, where we have seen rapid turnaround, it is not a single factor. It is when several critical factors are all working in tandem. So having safe burial teams without significant behavior change doesn't work. Having behavior change without treatment to refer people to doesn't work. So when you have that sort of virtuous combination of safe burial practices and capacity, social mobilization that drives popular behavior change, and adequate treatment capacity, that people can then refer to, when you have those things working in tandem, that is when we have seen—

Mr. FORTENBERRY. Let me pivot to one other of my questions right quick regarding social mobilization. Would you define that further, please?

Mr. KONYNDYK. Sorry. Social mobilization is basically a variety of actions you take to change how a population behaves on a particular thing. So it is radio programs, house-to-house communication, and education, a range of things.

Mr. FORTENBERRY. So let's take the case in Liberia. Because of the intensity of the impact—and I have been to Liberia before, but I have not been during this particular period—because of the intensity, there was not only an awareness of the need to change certain cultural practices or habits, that was almost instantaneously implemented because it became a narrative of an entire country. I assume that is what you are saying. Is that what you mean?

Mr. KONYNDYK. Yes. With a lot of programming to support that as well. But in Liberia, certainly the ferocity and the speed with which it broke out drove a lot of behavior change as well.

Dirk, do you want to talk about the study?

Mr. FORTENBERRY. I am sorry. I am going to interrupt you. I have a minute and a half, and I want to get a few other things on the table. I think Congressman Stewart rightfully points out that we have been willing as a Congress to assist you in a robust effort here, but to be prudent with the dollars, particularly as this has declined, is essential. In that regard, though, back to our Ranking Member Lowey's question, the line of authority here or the hierarchy of response mechanisms, would in my mind point to international organizations as a first responder, the WHO. You pointed out the problems there, getting caught off guard or not having capacity or whatever internal weakness led to them not being able to be in the lead. But, again, once again, the United States is put

in the lead by, both by choice and default, in an international crisis situation.

We have got to, as you rightfully pointed out, impress upon the international community their responsibility to partner here, even when we are leading. Now, you talked about \$800 million committed by other countries. Has that been delivered, and if that has been delivered, will that offset our costs?

Ambassador BROWNING. That supplements our contributions. This was the round that President Obama, Secretary Kerry, National Security Advisor Rice, picked up the phone. They called England. They called the Netherlands. They said, Can you give us some money?

Mr. FORTENBERRY. This is the new way of doing business.

Ambassador BROWNING. Right.

Mr. FORTENBERRY. I want to impress that upon you. It is the 21st Century model for international stability. We can lead. We have a large capacity to do so, and many other countries depend upon us. But we will not do this alone as other people simply either are unwilling to sacrifice or have been empowered to simply hide behind us and other countries. But I do think, again, in urging or demanding the WHO bring about certain reforms that would put them in more of a leadership position, which is the natural place to look first, I think is a prudent, long-term strategy policy here. Do you agree with that? I am sorry. I am out of time.

Mr. DIJKERMAN. Yes.

Mr. FORTENBERRY. Thank you.

Mr. DIJKERMAN. Madam Chair, if I may just follow up on that comment because I think it is a very important point you made about what was the key factor, and as Ambassador Browning said, we don't know. We have our suspicions. But that is why we have already embarked upon a process to lay out how we can do an independent assessment of what the components were of our strategy and what seemed to work. Another thing that was very important, at least in Liberia, was the role of the President herself in taking a very active stance in managing and getting the messages out there. And getting this independent assessment done, which will be done with USAID and other agencies, it will help inform things like the Johns Hopkins model. A model has to be based on facts. And as we try to get better in predicting future outbreaks, having these comprehensive independent assessments are going to help us.

The other thing that we are doing is trying to learn better now—because we don't have to wait. We can start now, and we are. We are working with our IG to see what some of our interfaces were with other agencies, where we can make improvements. Are there further areas we can further streamline how we do procurement or coordination with other departments. And so we have already done some lessons learned, if you will, but we are trying to have a much more aggressive lessons-learned evaluative approach now. Actually Johns Hopkins is already helping us to work on one of the areas that Jeremy mentioned and you asked about, social mobilization and communications. One of the things we are finding it is very local, but we need to have a much more careful assessment about what worked where and how. And we need to put in place a system

that is going to help us get that information and turn it around faster than we have been able to do in this response. Thank you.

Ms. GRANGER. Mr. Dijkerman, prior to the Ebola outbreak, the administration launched its Global Health Security Agenda, and it designated CDC as the lead. I understand that USAID and CDC plan to spend hundreds of millions of dollars to ensure that health systems are able, to prevent, detect, and respond to infectious diseases, such as Ebola. Could you describe the coordination and the division of duties between USAID and CDC?

Mr. DIJKERMAN. Thank you, Madam Chairwoman.

I will also let Ambassador Browning speak up here because the State Department is an important partner in the Global Health Security Agenda. In terms of the Global Health Security Agenda that we have been focusing on with CDC, the collaboration has been quite, quite close. Where CDC—and I am going to speak in gross terms here—but where we have been working together on the Global Health Security Agenda—there are a number of components that have been laid out for the whole U.S. Government. The CDC is focusing on surveillance. It is focusing on lab capabilities, and it is focusing on the element of human-to-human transmission. Where AID has tended to focus in the past—we started this back in 2006 with the support of the subcommittee—is focusing on the animal-to-human transmission. I think some of the committee members may be aware that since about the start of this century, about 75 percent of the new and emergent diseases have come from animal-to-human transmission. So that is where USAID is focusing.

Now, when we go out to these countries and do assessments, we do joint assessments. I have some of my health colleagues here, but the assessments are both with CDC and USAID. And in a number of other cases, we bring in the WHO and others. So not only are we lashed up within the U.S. Government on this, but we are also lashed up with some of the other international organizations that can help share the load and move this forward. And I can give you a lot more detail on the components of the Global Health Security Agenda if you would like.

Ms. GRANGER. Ambassador, do you have something to add to that?

Ambassador BROWNING. I do. I think it more of a whole-of-government approach, then, as indicated, with CDC in the lead. This is very much a whole-of-government approach. And let me use an example from my previous experiences. When I was Ambassador in Uganda, we built PEPFAR at that time, 10 years ago, and part of the process was using CDC to help train lab technicians and public health administrators, and also USAID in the delivery of direct health care. Ten years later, now in Liberia, Sierra Leone, and Guinea, we have U.S.-trained Ugandans who volunteered to come to these Ebola-stricken countries, used the skills and the practices that we gave them 10 years ago. This is the concept behind GHSA. Build this capacity in these countries throughout the region so that if this happens, when this happens again, they will be able to respond much more robustly than they were this time.

Ms. GRANGER. Thank you.

Mrs. Lowey.

Mrs. LOWEY. Thank you very much, gentlemen, for your wisdom, your service. We really do appreciate your experience. I have been concerned that, while we have stemmed the tide, some may think that the outbreak is over. Recent news reports suggest that there is an increase in new cases and that they were patients who had not been on the lists of people being monitored for possible infections. Dr. Bruce Aylward of the WHO said that, quote, "Some of the new cases had emerged in people who had traveled far from their original points of infection, presenting additional complications on how to track all the people they might have infected and who now may be Ebola transmitters themselves," end quote.

So, with just a few months before the start of West Africa's rainy season, if the virus reemerges, won't it be more difficult, especially in remote areas, to identify, isolate, and treat patients? I would be interested in your plan. Do we have enough resources to put an end to this epidemic? And have all those who pledged assistance provided it? And I would also be interested with the resources that we have spent, have we put in place, with our partners, adequate local systems, to be able to respond?

Ambassador BROWNING. Let me ask my colleague, Mr. Konyndyk, to take the initial response on that.

Mr. KONYNDYK. I think those are all really important concerns, and I talk regularly with Bruce, and I will see him in Geneva next week. The biggest challenge now is ensuring that we avoid complacency and continue to have a very intense focus on driving to zero. In terms of whether there are enough resources, there are certainly enough financial resources. And with the network that has been built up now across the three countries, we are confident as well that that there are enough human and medical and logistical resources as well to get this done. The rainy season will complicate things. We have a few months before that hits, and I think we will see significant further progress until then. I am not overly concerned by the recent uptick in the last couple of weeks. I think that is part of a natural progression. And that is pretty typical of what we have seen in past responses, that you don't just have a smooth, straight, sustained curve. You see some bumpy ups and downs. The important aspect is that we have a very nimble structure that now has been built so if we need to focus a rapid response team on a particular area, we can get them on a helicopter and get them out there quickly, and we do that regularly. So I think the structure we have in place can get the job done.

To the point on contact tracing, contact lists, that is a concern. That is one of the most challenging things because a case, for example, in Monrovia just earlier this week, there were a few new cases found. One of them was on the contact list. Two of them weren't because the way that they were exposed was they helped carry a woman who they didn't know was infected at the time back to her house. So it is very difficult to get someone like that on a contact list. That is just a long, hard slog. We have a long, hard slog, but I think we have the resources in place to get the job done.

Ambassador BROWNING. I would just add that going from hundreds of cases to tens of cases is difficult. Going from tens of cases to one case is much, much more difficult. So it will get harder and

more laborious as we get closer to zero. We just have to keep that in mind.

Mr. DIJKERMAN. I think the other important element of what we are focusing on is we have talked a lot about the three countries, but we are putting the preparedness plans in place in the other countries. The thing to remember about that, except for Mali and Senegal, is those other preparedness plans while we are assessing them, they actually haven't been, if you will, battle-tested. So what we have encouraged the U.N. and our partners to do, and we are working with the governments to have a discussion about, is how we can somehow figure out how to, respecting everybody's sovereignty, have battle-tested assets from the three countries be able to cross into other countries when and if necessary. So if we have suspected or probable cases across the border, and there are some limits in the capacity in Ivory Coast because people are migrating and things like that, then we need to make sure that we have the means in place to quickly get on top of it, because we know quickness matters. And if there is a need to bring somebody to an isolation place, that we figure out how to get them into the Ebola treatment units right across the border back in Guinea or something like that. We are not there yet. We know this is coming, but we are focused on it, and like with the entire response, we are trying to make sure that we keep the governments fully in front with us and owning the solutions.

Ms. GRANGER. Thank you.

Mr. Ruppertsberger.

Mr. RUPPERSBERGER. I want to get into the issue of Challenge Grants. I know that USAID launched a program in October. It was called Fighting Ebola. It is called A Grand Challenge For Development. I always like to promote my home town and institutions and people there, and let's get back to Johns Hopkins again. They won a grant in constructing a better protection suit. The prototype is designed to do a better job than current garments in keeping health care workers from coming in contact with Ebola patients' contiguous body fluids both during treatment and while removing a soiled suit. In addition, it is expected to keep the wearer cooler, an important benefit in hot, humid regions, such as West Africa.

My questions are, can you talk about these Challenge Grants? If you look at innovation, I think a lot of times the private sector and institutions, such as Johns Hopkins, and University of Maryland Hospital. If they get the proper grants, they have the ability to really come up with some good product, which will help you. Which is what makes us stronger as a country, that relationship between the private sector and government coming together to deal with these problems. My question is, can you talk about the Challenge Grant, how you see them, how as a tool is this better to address epidemics like Ebola, and could you speak as to how Challenge Grants can be used as a general development tool?

Mr. DIJKERMAN. I think you have almost answered it.

Mr. RUPPERSBERGER. I am trying to help you. Leading questions.

Mr. DIJKERMAN. But there is no question that USAID has long worked to figure out how to better harness the energies and the innovations and different ideas and approaches of the private sector and foundations. And Jeremy can talk more about how we have

done that on many fronts throughout this Ebola crisis, with the Paul Allen Foundation and others. The Grand Challenge program that we started is run by USAID, but we do pull in other U.S. Government resources to help evaluate the proposals so that we get the right technical people involved to see which grants and which possibilities make the most sense. So, again, it is a whole-of-government approach.

As I mentioned, and I don't want to get ahead of our press release this afternoon, but I really do encourage folks to look at the array of new innovations that people have identified that may not help us immediately in this response—actually some of them may—but they will certainly help us in the next response. And one of the things that we are following through on is once we are able to get these products proven and tested, that we will also try to work with them to bring them to market and give them the due advertising, if you will, to others so that they know they are out there to be used. But I think it is one of the really good things that USAID has built on over the last couple years, and I give total credit to that to the USAID Administrator, Rajiv Shah.

Mr. KONYNDYK. I want to just call out in particular that suit that Johns Hopkins designed. It is an amazing design. It has yet to be fully field tested and all of that. It remains a prototype, so we will see how it does once it is rolled out in the field. But one of the biggest constraints that the Ebola treatment units face is the management and use of personal protective equipment. These suits are incredibly uncomfortable to wear. They are incredibly hot. When I was out there, I talked with personnel who have to work in these every day, and they talked at the end of a 1-hour shift—and they can only work for an hour in these suits before it becomes too overwhelming—their boots, their rubber boots are literally filled with sweat. I mean, they pour the sweat out of their boots. So having a better suit that is more comfortable and feasible to work in will improve patient care.

It also will improve the safety of the workers themselves. One of the highest risks of exposure is when you are taking off your PPE. So having a safer way to take off PPE will greatly reduce the risks to healthcare workers who are working on those front lines. So this kind of innovation, again, still has to be tested. We will see how it works. I am sure there will be further tweaks, but it is a really important contribution.

Mr. RUPPERSBERGER. The good part about the innovation is it can not only be used for this situation but for many other uses within our country and hopefully throughout the world.

Ms. GRANGER. Mr. Serrano, you have the last question.

Mr. SERRANO. Thank you.

And first, let me say that I think I am going to nominate Mr. Ruppertsberger for the Johns Hopkins legislator of the year award.

Ms. GRANGER. I took notes.

Mr. SERRANO. But it is a great institution, and it should be commended for its work.

Let me have just one question. High Ebola infection rates among health workers have contributed to the closure of about 62 percent of health facilities that offer non-Ebola-related care in Liberia. What steps has USAID taken to help the affected countries resume

the operations of their health facilities so that they can continue to do work other than Ebola, which is the one we are concentrating on, of course?

Mr. KONYNDYK. I will say a couple words on how the response piece plays into that and then hand over to Dirk to talk about some of the longer-term efforts. It is a huge priority. As you know, Ebola has killed a lot of people, but malaria and maternal-child health challenges and other things kill far more people over time in these regions. So getting those services back online is absolutely critical. It is as critical as ending this.

That is one of the reasons why even though some of these Ebola treatment units are not seeing a lot of patients, it is important to keep them open and keep them operating because it provides a safety net in that area and that community to enable those other systems to come online. And our teams have been telling us that healthcare workers in the normal health facilities feel a lot more confident going back to their jobs if they know they have a safe place where they can refer people who are suspect Ebola cases. And so that is one of the reasons why we are keeping those open, even if they are seeing very few patients. It is a critical piece of that.

Mr. DIJKERMAN. Jeremy, through the response part of the operation, has already started expanding infection protection control training and commodities into non-Ebola affected clinics. But that is part of our response. The other part is that we need to make sure the clinics are designed or laid out in a way that they have isolation places. They have to be worked with to revise protocols, because if somebody comes in for a safe birth and you think it is a suspect or probable case, how do you deal with that? So there are a lot of things that we have to work through and then make sure that the healthcare workers in those institutions know what to do to feel safe.

By the same token, I think, as I mentioned earlier, just simply opening a clinic is not going to cause people to come back. We have seen some opening of schools, and we are seeing less than 30 percent of the kids come back. So we need to have social messaging and education programs and outreach to have people get the confidence again that this clinic, public or private, is going to be a safe place for them to go. So we are working on that. We are also examining the logistics systems so they can manage and get out there in time in the necessary quantities the right types of equipment to be able to deal with Ebola-suspect probable cases.

We are working on the transportation system. So if there is a case at a health clinic found, how do we get them to a safer, better isolation facility like an ETU? So there are a lot of elements that we are working on here. They are being laid out. Some are in process, as I mentioned, the training, but other pieces are still being fleshed out. With some of the partners that we have been working with before, we will have to change their job descriptions, if you will, to do a bit more to address some of these preparedness issues.

Mr. SERRANO. I thank you for your answer, and I want to thank you for your service. Our country gets criticized a lot. At times, we do some of it ourselves. But when we see people like you and see the volunteers and we see the doctors and the people that went over, that is America at its best. And we should be proud of our-

selves and continue our good work because when we help others, we help ourselves and vice versa. And I am just so proud of the work you do. Thank you so much.

Ms. GRANGER. Thank you.

Thank you for the work you do. Thank you for being here today appearing before the subcommittee.

Members may submit any additional questions for the record. The Subcommittee on State, Foreign Operations, and Related Programs stands adjourned.

**Questions for the Record Submitted by
Representative Kay Granger (1 and 2)
Ambassador Steve Browning
House Committee on Appropriations
Subcommittee on State, Foreign Operations,
February 11, 2015**

Question:

Please provide the total number of US troops that were deployed to Liberia at its peak, a general list of activities conducted, and the prospective plan for troops for the rest of the calendar year.

Answer:

Troops from across DoD deployed under Operation UNITED ASSISTANCE (OUA) in support of USAID as the lead federal agency to provide support along 5 lines of effort--Command and control, Engineering, Training, Logistics, and Labs. At its peak, OUA saw 2549 U.S. troops on the ground in Liberia.

Question:

Please describe in detail the programs and activities transitioned from the Department of Defense to USAID or other civilian agencies.

Answer:

Primary tasks for Joint Force Command-Operation UNITED ASSISTANCE (JFC-OUA) troops included construction of Ebola Treatment

Units (ETU), training of Liberian health care workers to operate ETUs, and operation of labs to conduct blood sample testing

In January, 2015, the President approved the transition plan for OUA, transferring JFC activities and efforts to USAID and international partners. Following the redeployment of the majority of troops, DoD's remaining activities are as follows:

- A small headquarters element to coordinate DoD's Ebola-related activities in Liberia with the USAID Disaster Assistance Response Team
- Augmentation to Operation ONWARD LIBERTY in order to build capacity of the Armed Forces of Liberia and recoup lost training due to the Ebola response.
- Continuing support to Ebola diagnostics (testing) in Liberia and Sierra Leone through our Cooperative Threat Reduction Program, or CTR.

- DoD will also provide support for the resurfacing of Roberts International Airport in Monrovia. This project will be funded by USAID but overseen by the U.S. Army Corps of Engineers and is expected to facilitate increased commercial traffic and extend the life of the airfield by 15-20 years.
- An assessment of the OUA transition is due to USAFRICOM on May 30, 2015. This assessment will determine whether or not the operation is continued or ended.

**Questions for the Record Submitted by
Representative Kay Granger (3)
Ambassador Steve Browning
House Committee on Appropriations
Subcommittee on State, Foreign Operations,
February 11, 2015**

Question:

Please provide a chart of pledges as well as actual contributions by non-U.S. donors to the Ebola response to date. Please include international financial institutions, and if this funding was new or reprogrammed from other activities.

Answer:

The U.S. government does not track and monitor pledges made by non-U.S. government donors to the Ebola response, as we are not a party to these transactions and cannot independently verify them. We believe the best resource for this information is the United Nations Office for the Coordination of Humanitarian Affairs (OCHA)'s Financial Tracking Service, which provides the most definitive tracking of pledges made by non-US government donors. Their charts are updated daily and can be found at <http://fts.unocha.org/pageloader.aspx?page=emergencyDetails&emergID=16506>. The World Bank also provides a resource tracker, though it is not updated as frequently: <http://www.worldbank.org/en/topic/ebola/brief/global-ebola-response-resource-tracking>. We caveat that both organizations rely on self-reporting

from donors and recipients, and this may result in inconsistencies between the two resources.

International Financial Institutions have contributed a total of \$1.14 billion in new funding, though the World Bank's International Development Association (IDA) allocations and the African Development Bank's African Development Fund (AfDF) allocations could potentially have been otherwise programmed. The breakdown of funding is as follows:

- **World Bank:** \$518 million for Ebola emergency response, budget support and early recovery efforts (grants and concessional loans); of which:
 - \$420 million is from the Crisis Response Window; and
 - \$98 million is from country IDA allocations.
- **African Development Bank:** \$214 million for Ebola emergency response, budget support, and Ebola recovery efforts (grants and concessional loans); of which:
 - \$141 million is in direct budget support from AfDF country allocations.
- **International Monetary Fund:** \$310 million in direct economic and budget support (concessional loans) and \$100 million in debt relief for the three affected countries.

**Questions for the Record Submitted by
Representative Kay Granger (4)
Ambassador Steve Browning
House Committee on Appropriations
Subcommittee on State, Foreign Operations,
February 11, 2015**

Question:

Secretary Lew described the International Monetary Fund as being the first donor to the Ebola-stricken countries. Please describe the nature of this assistance provided.

Answer:

The International Monetary Fund (IMF or the Fund) has provided over \$390 million in assistance to the three Ebola-stricken countries since September of 2014. The assistance encompasses economic and budget support paired with policy advice, as well as debt relief. In September of 2014, the IMF provided a total of \$130 million of emergency financial assistance in the form of highly concessional loans to Guinea, Liberia, and Sierra Leone, the three West African countries at the center of the epidemic. For Liberia and Sierra Leone, the assistance of \$48 million and \$40 million respectively came in the form of augmentations to existing three year programs under which the IMF was providing lending and macroeconomic policy advice. For Guinea, the assistance was provided through a Rapid Credit Facility, the Fund's emergency lending mechanism. The Fund

continues to provide support to the three countries, approving an additional \$183 million in concessional loans in February and March of 2015. IMF lending to the three countries is on highly favorable terms, with minimal interest and fees, a generous grace period, and a long repayment horizon.

In addition to lending and policy support, in early 2015 the IMF approved \$100 million in debt relief for the three countries to pay off their upcoming debt service payments to the Fund. The debt relief will be administered as grants from the Catastrophe Containment and Relief Trust (CCR), which was created out of the trust fund established in 2010 to help Haiti recover from a devastating earthquake. This debt relief frees up resources in the three countries for urgent near-term needs.

For further questions on the IMF support for Guinea, Liberia, and Sierra Leone, or about the Catastrophe Containment and Relief Trust, I refer you to my Treasury colleagues.

**Questions for the Record Submitted by
Representative Kay Granger (5 and 6)
Ambassador Steve Browning
House Committee on Appropriations
Subcommittee on State, Foreign Operations,
February 11, 2015**

Question:

Please provide a detailed table by activity of funding requested for the Ebola response and funds obligated and spent to date.

Answer:

See attached table under tab "Obligations"

Question:

In this same table, please provide a column detailing plans going forward and how the requested funds expect to be repurposed.

Answer:

See attached table under tab "Obligations"

**State - USAID Ebola Emergency Response & Global Health Security
Spend Plan Update - Overview^{1, 2}**

	TOTAL (Original Amts requested and change between March & April)			Obligations as of 4/1/15*
	1-Mar-15	1-Apr-15	Change (+/-)	
Pillar 1 - Control the Outbreak	939,644,711	939,644,711	-	624,503,573
1. Command and Control	9,620,000	9,620,000	-	2,300,000
2. Case Management	498,455,686	498,455,686	-	431,504,773

3. Surveillance and Epidemiology	-	-	-	-
4. Restoration of Essential Health Services	152,578,606	152,578,606	-	120,603,289
5. Social Mobilization and Communications	35,492,856	35,492,856	-	32,596,366
6. Logistics	108,197,563	108,197,563	-	37,499,145
7. Recovery, Resilience and Transition	100,000,000	100,000,000	-	-
8. International Organization Contributions	35,300,000	35,300,000	-	-
Pillar II -Mitigate Second Order Impacts	323,774,686	314,853,086	(8,921,600)	31,631,617
Food Security	112,800,000	103,878,400	(8,921,600)	31,631,617
Governance and Economic Crisis Mitigation	55,000,000	55,000,000	-	
Innovation and Communication Technology	29,974,686	29,974,686	-	
Emergency Non-Ebola Health Services	60,000,000	60,000,000	-	
Health Systems Recovery	66,000,000	66,000,000	-	
Pillar 3 - Coherent Leadership and Operations	60,138,000	60,138,000	-	6,148,000
Pillar 4 - Global Health Security	312,000,000	312,000,000	-	24,660,000
SUBTOTAL	1,635,557,397	1,626,635,797	(8,921,600)	686,943,190
Unprogrammed Resources ³	457,090,314	457,090,314	-	
Reimbursement for Pre-Enactment Spending	397,313,289	406,234,889	8,921,600	
TOTAL	2,489,961,000	2,489,961,000	-	686,943,190

¹Table does not include \$36,420,000 in Diplomatic and Consular Programs funding, which will be will be reported and notified separately.

²The USG strategy may further evolve over time to address the emerging needs and context of the EVD epidemic on the ground; as the response evolves, new activities or objectives may be added and others may no longer be necessary.

³Unprogrammed resources have not yet been allocated for obligation.

*Obligations as of April 1st are inclusive of reimbursements

**Questions for the Record Submitted by
Representative Kay Granger (7 and 8)
Ambassador Steve Browning
House Committee on Appropriations
Subcommittee on State, Foreign Operations,
February 11, 2015**

Question:

Please provide a list of all accounts that have been or will be reimbursed by funds provided in the FY15 Ebola supplemental. Within each account, please break out the activity and the original purpose of the funds being reimbursed.

Answer:

The accounts reimbursed with funds provided in the FY15 Ebola supplemental are the IDA and ESF accounts for foreign assistance and the D&CP and Working Capital Fund accounts for Diplomatic Engagement.

Please see the attached table for foreign assistance data, which shows a total of \$406,234,889 in reimbursements from the IDA (\$376,574,889) & ESF (\$29,660,000) accounts as of April 1, 2015.

In regard to diplomatic engagement, the Department of State's Medical Managed (MED) Working Capital Fund (WCF) facilitates services which include medical evacuations, expenses related to overseas hospitalizations and private medical expenses related to medical clearances

and/or specialist evaluations for Department employees and eligible family members. In response to the Ebola Virus Disease, MED expanded the medevac program to provide reimbursable services to U.S. agencies supporting the outbreak relief effort. The Department has also signed reimbursable agreements with foreign governments, international and not-for profit organizations to provide Ebola-related medevac services.

In addition, the Bureau of African Affairs reimbursed its D&CP program operations account by \$700,000 for funding used to support TDY travel, WAE salaries and contractor support expended in advance of receipt of the Ebola supplemental funding.

Question:

Once accounts have been reimbursed, will further notification be required before those funds may be further obligated?

Answer:

For foreign assistance funding, USAID does not anticipate further notification before funds may be further obligated except when those funds must be notified for specific reasons such as special notification countries or an increase in more than 10% of originally notified level.

For diplomatic engagement, the Diplomatic and Consular Programs operating plan (CN 15-024) for the Emergency Ebola Response and Preparedness funding notified the Office of the Medical Director's plan to obligate \$25.5 million to fund the contract for aeromedical biological containment evacuation services and \$6.3 million to fund medical evacuations of non-Ebola State Department patients. \$31.8 million in D&CP funding was reimbursed to the Medical Managed Working Capital Fund. Further notification of reimbursement and obligation is not required as these funds were utilized for the same purpose as requested and notified.

**Questions for the Record Submitted by
Representative Kay Granger (9 and 10)
Ambassador Steve Browning
House Committee on Appropriations
Subcommittee on State, Foreign Operations,
February 11, 2015**

Question:

Please provide a list by job description and agency of all US personnel in Liberia, Sierra Leone, Guinea and other countries that are being supported with funds from the FY15 Ebola supplemental.

Answer:

See attached tables.

Question:

In this chart, please provide whether the nature of the employment is temporary, permanent, or permanent TDY.

Answer:

See attached tables.

For USAID/OFDA, the Ebola supplemental appropriation has not been used to pay for current staff salaries or hire new staff to date. The supplemental appropriation has been used solely to pay for travel and support costs for (Disaster Assistance Response Team) DART and (Response Management Team) RMT staff who are agency direct hire or PSCs.

As of 3/31/15, travel for the following positions has been funded through the appropriation – a total of 98 personnel trips: These trips are Permanent TDY Trips

Team	Job Description	Location	Total #
	OFDA Director	West Africa	1
DART	Administrative Coordinator	Guinea	1
DART	Administrative Coordinator	Liberia	6
DART	African Union Liaison	Ethiopia	1
DART	Civil Military Affairs Officer	Liberia	14

DART	DART Leader	Liberia	2
DART	UNMEER Liaison	Ghana	3
DART	Deputy for Non-Health Humanitarian Coordination	Liberia	4
DART	Deputy for Non-Health Humanitarian Coordination	Sierra Leone	1
DART	Deputy for Non-Health Humanitarian Coordination	Guinea	3
DART	Deputy for Non-Health Humanitarian Coordination	Mali	1
DART	Deputy for Operations	Liberia	3
DART	EOC Advisor	Liberia	1
DART	Field Officer	Guinea	2
DART	Field Officer	Mali	1
DART	Innovation Officer	Liberia	1
DART	Logistics Officer	Liberia	1
DART	PAE Activities Manager	Liberia	2
DART	Planning Coordinator	Liberia	5
DART	Planning Coordinator	Guinea	1
DART	Planning Coordinator	Sierra Leone	1
DART	Program Officer	Liberia	2
DART	Program Officer	Guinea	1
DART	Program Officer	Sierra Leone	5
DART	Program Officer	Mali	1
DART	Safety and Security Officer	Liberia	5
DART	WASH Advisor	Liberia	3
DART	WASH Advisor	Guinea	1
RMT	Administrative Coordinator	Washington, DC	1
RMT	External Liaison Coordinator	Washington, DC	1
RMT	CDC Liaison	Atlanta, GA	5
RMT	Civil Military Affairs Officer	Washington, DC	4
RMT	Civil Military Affairs Officer	Germany	2
RMT	Deputy Manager for Operations	Washington, DC	1
RMT	Program Officer	Washington, DC	1

USPHS Staff, travel (Permanent TDY) was funded through an Interagency Agreement with USAID using Ebola Supplemental funds. USPHS staff salaries were not covered by USAID.

TEAM	# OFFICERS DEPLOYED
MMU-1	69
MMU-2	74
MMU-3	68
MMU-4	72
SAT	11
ADVON	4
ERTF	60
FSN	12
QS	40
No Data available	3
Total	413

ADVON: Advance On-Site Team
ERTF: Emergency Response Team Functions
FSN: Family Support Network
MMU: Monrovia Medical Unit

ency	JobDescription *OE position names match CN titles	Nature of Employment (Permanent, Temporary, Permanent TDY)	
		Location	
AID	ePayment Advisor	Temporary	Washington, DC
	Real Time Data Senior Program Manager	Temporary	Washington, DC
AID	Field Real Time Data Lead	Temporary	Washington, DC/Liberia/Guinea/Sierra Leone
AID	Real Time Data Policy Advisor	Temporary	Washington, DC
AID	ICT Fund Technical Lead	Temporary	Washington, DC
AID	Senior Program Analyst	Temporary	Washington, DC
AID	Program Analyst	Temporary	Washington, DC
AID	Program Analyst	Temporary	Washington, DC
AID	Speech Outreach Specialist	Temporary	Washington, DC
AID	Outreach Specialist	Temporary	Washington, DC
AID	Administrative Assistant	Temporary	Washington, DC
AID	Executive Officer - Liberia	Temporary	Liberia
AID	HR Specialist - Liberia	Temporary	Liberia
AID	Controller - Guinea	Temporary	Guinea

AID	Global Health Program Analyst	Temporary	Washington, DC
AID	Human Resource Consultant	Temporary	Washington, DC
AID	Security Specialist	Temporary	Washington, DC
AID	Security Specialist	Temporary	Washington, DC
AID	Contract Support	Temporary	Washington, DC
AID	Contract Support	Temporary	Washington, DC
AID	M/CFO Support	Temporary	Washington, DC
AID	Program Assistant	Temporary	Washington, DC
AID	Program and Management Analyst	Temporary	Washington, DC
AID	Communications Specialist	Temporary	Washington, DC
AID	Monitoring and Evaluation Specialist	Temporary	Washington, DC
AID	Ebola Secretariat Lead	Temporary	Washington, DC
AID	Contract Support	Temporary	Washington, DC
AID	Contract Support	Temporary	Washington, DC
AID	HCTM Support	Temporary	Washington, DC
AID	SEC Support	Temporary	Washington, DC
AID	BRM Budget Support	Temporary	Washington, DC
AID	Senior Coordinator	Temporary	Washington, DC
AID	Crisis, Stabilization and Governance Officer - Liberia	Permanent TDY	Liberia
AID	Crisis, Stabilization and Governance Officer - Liberia	Permanent TDY	Liberia
AID	Crisis, Stabilization and Governance Officer - Liberia	Permanent TDY	Liberia
AID	Population Health Nutrition Officer - Liberia	Permanent TDY	Liberia
AID	Education Officer - Liberia	Permanent TDY	Liberia
AID	Food For Peace (FFP) Monitor - Liberia	Permanent TDY	Liberia
AID	FFP Food Security Monitor - Liberia	Permanent TDY	Liberia
AID	Population Health Nutrition Officer - Guinea	Permanent TDY	Guinea
AID	Food For Peace (FFP) Monitor - Guinea	Permanent TDY	Guinea
AID	Crisis, Stabilization and Governance Officer - Sierra Leone	Permanent TDY	Sierra Leone
AID	Food For Peace (FFP) Monitor - Sierra Leone	Permanent TDY	Sierra Leone
AID	Innovation Advisor	Temporary	Washington, DC
AID	Program Assistant	Temporary	Washington, DC
AID	Program Analyst	Temporary	Washington, DC
AID	Program Assistant	Temporary	Washington, DC
AID	Risk Communication	Temporary	Washington, DC
AID	Real Time Data Information Systems Technology Advisor	Temporary	Washington, DC
AID	Sr. Distributed Systems Architect	Temporary	Washington, DC

AID	ICT Program Analyst	Temporary	Washington, DC
AID	Program Assistant	Temporary	Washington, DC
AID	Communications Specialist	Temporary	Washington, DC
AID	ICT Guinea/Sierra Leone Lead	Temporary	Guinea/Sierra Leone
AID	Connectivity Specialist - Liberia	Temporary	Liberia

**Questions for the Record Submitted by
Representative Kay Granger (11)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations
Committee on Appropriations
February 11, 2015**

Question :

What is UNMEER's mission and how is this different from what the United States and other countries are doing?

Answer:

The United Nations Mission for Ebola Emergency Response (UNMEER) was established on September 19, 2014, after the unanimous adoption of the United Nations General Assembly resolution 69/1, and the adoption of Security Council resolution 2177 (2014) on the Ebola outbreak. UNMEER—the UN's first global health mission—was set up as a temporary measure to meet needs related to the unprecedented fight against Ebola. UNMEER's mission is to direct and coordinate the overall UN response to ending the outbreak, an essential effort complementary to the work of governments and non-governmental partners.

The United States has worked closely with UNMEER in leading the global effort to halt the Ebola epidemic. State, USAID, the Department of Health and Human Services (HHS), the Department of Defense (DoD), the

Department of Homeland Security (DHS) and other supporting agencies continue to work together to overcome the Ebola outbreak.

The U.S. has also led an outreach effort with a number of other countries to encourage them to provide voluntary resources to UN system agencies, in-kind resources, and medical personnel to the efforts on the ground.

UNMEER brought UN agencies including WHO, WFP, and UNICEF into a unified operational structure, and has established coordination and information management nodes at the regional, national, and sub-national levels.

As the umbrella organization for other UN agencies working to end the outbreak, UNMEER has coordinated epidemiological work and training conducted by the WHO, logistics and resupply provided by the WFP, and community-level education provided by UNICEF. Since its establishment last fall, UNMEER's focus has changed in line with the nature of the outbreak, and today the mission is largely focused on response efforts in Guinea. At the same time, at the urging of the United States and in line with conditions on the ground, the UN secretariat is drawing down UNMEER's operations. UNMEER's small office in Mali was closed in March, and its

office in Liberia will close on May 31. Staff located in the Mission's Accra headquarters are being redeployed to Sierra Leone and Guinea to bolster the teams there. Following this surge in staff, we expect that the Sierra Leone and Guinea offices will draw down and close on or around July 31. Finally, we expect the Accra headquarters to close in August.

During this period of transition, UNMEER's activities will transfer to appropriate UN lead agencies, funds, and programs – WHO, WFP, UNICEF, and UNDP. Coordination functions and early recovering planning will transfer to UNDP's Resident Coordinator's office.

**Questions for the Record Submitted by
Representative Kay Granger (12)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations,
Committee on Appropriations
February 11, 2015**

Question :

How would you rate the performance of UNMEER?

Answer:

UNMEER was established as the first-ever UN emergency health mission in September 2014 with a mandate to stop the spread of Ebola, treat the infected, ensure essential services, preserve stability, and prevent the spread of Ebola to neighboring countries and beyond. UNMEER and its partner UN agencies have played a critical role in bringing about the significant progress in overcoming the outbreak, as the three affected countries all move toward zero cases.

As the umbrella mission coordinating the UN's response to the Ebola outbreak, UNMEER brings together UN agencies, including WHO, WFP, and UNICEF, through a unified operational structure and regional, national, and sub-national information management and command and control.

As an emergency mission with no permanent staffing established in the middle of a complex medical and humanitarian disaster, UNMEER faced

significant hurdles as it worked to gain staffing and structure while carrying out its mandate. Over time, UNMEER improved field coordination and information management, and strengthened its ability to work with UN system, national, and non-governmental partners.

In recent months, and as urged by the United States, UNMEER has shifted its focus to coordination at district levels in Guinea and Sierra Leone. UNMEER and partner UN agencies also helped to achieve a high level of prevention and preparedness in non-affected countries in proximity to the three affected countries.

At the same time, at the urging of the United States and in line with conditions on the ground, the UN secretariat is drawing down UNMEER's operations. UNMEER's small office in Mali was closed in March, and its office in Liberia will close on May 31. Staff located in the mission's Accra headquarters are being redeployed to Sierra Leone and Guinea to bolster the teams there. Following this surge in staff, we expect that the Sierra Leone and Guinea offices will draw down and close on or around July 31. Finally, we expect the Accra headquarters to close in August.

During this period of transition, UNMEER's activities will transfer to appropriate UN lead agencies, funds, and programs – WHO, WFP, UNICEF, and UNDP. Coordination functions and early recovering planning will

transfer to UNDP's Resident Coordinator's offices in the three affected countries.

**Questions for the Record Submitted by
Representative Kay Granger (13)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations,
Committee on Appropriations
February 11, 2015**

Question :

How much funding does the Department of State plan to contribute to UNMEER?

Answer:

The United States is responsible for 22 percent of the assessed funding that UN member states are providing to finance the UN Mission on Ebola Emergency Response (UNMEER), established in September 2014 via United Nations General Assembly resolution 69/1 and Security Council resolution 2177 (2014) . The U.S. share of UNMEER's costs through June 30, 2015, is \$23 million. Consistent with the authority that Congress provided via Title IX of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2015 (Div. J, P.L. 113-235), the Department has initiated the process to notify Congress of the intent to transfer International Disaster Assistance funds for this purpose.

The need to provide additional funding for UNMEER will depend on whether the UN General Assembly decides to finance UNMEER's operations beyond June 30, 2015; however, at this point in time we assess that UNMEER possesses funding to continue its work through its expected

drawdown and termination period (roughly August 2015), and are working closely with the UN Secretariat toward the goal of terminating the mission with no additional funding.

**Questions for the Record Submitted by
Representative Kay Granger (14)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations,
Committee on Appropriations
February 11, 2015**

Question:

How much funding government-wide has been contributed to date to the WHO?

Answer:

According to USAID's records, the below funds have been contributed to WHO for the Ebola response. Note that USAID can only definitively verify our own funding.

Description	Funding USD
(Region) WHO - Ebola Virus Diseases Outbreak response in west Africa (State)	150,000
(Region) WHO - Ebola Virus Diseases Outbreak response in west Africa (State)	1,200,000
(Sierra Leone) Ebola response - Health (USAID/OFDA)	4,000,000
(Region) Health (USAID/GH)	6,387,500
(Region) Health	6,397,175

(USAID/GH)	
(Region) WHO - Ebola Virus Diseases Outbreak response in west Africa (DoD)	13,063,018
(Guinea) Ebola response - Health (USAID/OFDA)	19,626,849
(Liberia) Ebola response - Health (USAID/OFDA)	35,000,000
(Guinea) Ebola response (CDC)	8,100,000
Total	93,924,542

**Source: UN Office for the Coordination of Humanitarian Affairs
Financial Tracking Service & CDC**

**Questions for the Record Submitted by
Representative Kay Granger (15)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations,
Committee on Appropriations
February 11, 2015**

Question:

What is the plan prospectively to provide additional funds to the WHO?

Answer:

USAID does not currently have plans to provide additional Ebola Supplemental funding to WHO for Response activities. However, USAID will continue to provide Ebola Supplemental funding to WHO, through the WHO Consolidated Grant, for the Global Health Security Agenda. Currently, USAID anticipates providing about \$9 million to WHO for GHSA country-level activities from the Supplemental Funding.

**Questions for the Record Submitted by
Representative Kay Granger (16)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations,
Committee on Appropriations
February 11, 2015**

Question:

What should the role of the WHO be when a health disaster like Ebola strikes?

Answer:

The U.S. supports a strong WHO, able to lead on health challenges such as infectious disease; reducing child and maternal mortality; strengthening health systems; adopting food and drug quality and safety norms; increasing access to safe, quality and affordable medicines; and tackling non-communicable diseases. The U.S. relies on WHO's leadership and ability to augment national assets during public health outbreaks. We thoroughly support their efforts to improve their capacity in emergency response, as outlined during the Executive Board Special Session on Ebola in January 2015 and ensconced in the resolution of the 68th World Health Assembly. The U.S. Government, through a broad set of USG agencies, including USAID, State and HHS, with overall leadership from the White House, remains strongly engaged in discussions around WHO's reform efforts.

**Questions for the Record Submitted by
Representative Kay Granger (17)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations,
Committee on Appropriations
February 11, 2015**

Question:

What reforms are being proposed at the WHO and does the Administration support these? What changes are most needed and what else is the United States proposing?

Answer:

The World Health Organization (WHO) is the critical global public health agency that cooperates with 194 Member States and technical partners across the spectrum of public health such as the International Health Regulations and their implementation and related surveillance, preparedness, and response. WHO objectives also include furnishing technical assistance and necessary aid in emergencies. As such, WHO has been and will continue to be a key player in efforts to control infectious disease threats, including driving Ebola to zero, eradicating polio, and battling drug-resistant tuberculosis. Reforms at WHO, particularly those focused on its operational structures and capacities, will advance the interests and security of the United States.

In addressing the valid criticisms of WHO's early response efforts in the Ebola outbreak, WHO Director-General Margaret Chan undertook a

course correction with changes to the structure of the response, including personnel changes, to fully mobilize WHO's capacity. Director-General Chan also called for a Special Session on Ebola during the WHO Executive Board (held January 25, 2015). The United States partnered with South Africa and championed a resolution, "*Ebola: ending the current outbreak, strengthening global preparedness*," which received broad support in its adoption for measures to both address the immediate Ebola outbreak and to set in motion additional reforms aimed at WHO's readiness for future complex health emergencies. The World Health Assembly (WHA) in May will receive a report on follow-up to the resolution and further actions.

Pursuant to the Special Session resolution, the Director-General appointed Dr. Bruce Aylward in early February to serve as her Special Representative on Ebola for the duration of the outbreak. In this position, Dr. Aylward has exercised his delegated authority to direct the WHO Ebola response across the three levels of the Organization, resulting in improved coherence of action and performance in the Ebola response.

WHO is following up on the Ebola Special Session resolution decision to establish a Global Health Emergency Workforce (GHEW), and the recommendations will focus on building upon current WHO structures for a core team to manage an internal surge capacity through a more robust

network of emergency responders and specialists, both internal to WHO and those provided by national governments (foreign medical teams), non-governmental actors, and other UN agency staff working on emergency response.

Other aspects of the Resolution include the call for establishing a contingency fund for more effective funding in health emergencies, and a longer-term International Health Regulations (IHRs) Review Committee to examine measures for countries and WHO to improve adherence.

One of the United States' high priorities for WHO reform has also been the need for human resource reforms. The resolution addresses one aspect with its focus on country representatives having a broad skill set relevant to the conditions and needs of the countries in which they are placed, and greater involvement of WHO headquarters in these decisions. More broadly, the United States has supported WHO moving forward with a new human resources strategy focused on a high-performance culture, accountability, and a more flexible and mobile workforce.

As also mandated by the resolution, the Director General set up an independent review panel to undertake an interim assessment of the WHO Ebola response at all levels, including the critical early months, and provide recommendations to the WHA.

Lastly, the United States has also been a driving force behind an on-going reform agenda at the WHO which has been underway since 2011. These reforms, aimed at strengthening WHO for diverse and emerging challenges have proceeded on four fronts: priority-setting, managerial reforms, governance reforms, and financing.

**Questions for the Record Submitted by
Representative Kay Granger (18)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations,
Committee on Appropriations
February 11, 2015**

Question:

Please provide a detailed plan by country, program, and activity for all funding provided in the FY15 Ebola supplemental for Global Health Security Agenda (GHSA). Please be specific about which fiscal year funds will be programmed.

Answer:

With respect to Granger QFR #18, USAID briefs committee staff on an ongoing basis regarding Ebola Supplemental programming and will continue to do so as GHSA planning continues.

With the \$312 million appropriated in FY 2015 to address Global Health Security related to Ebola Response and Preparedness, USAID will focus primarily on high risk African countries to establish and expand comprehensive prevention, detection, and response capacities. USAID will obligate nearly 70 percent of the funds during 2015 and the remaining funds during 2016.

The FY 2015 Ebola supplemental funds for USAID's implementation of GHSA are targeted to the 12 GHSA priority countries in Africa (Guinea, Liberia, Sierra Leone, Burkina Faso, Cameroon, Cote d'Ivoire, Ethiopia, Kenya, Mali, Senegal, Tanzania, and Uganda), as well as a small set of countries in West and Central Africa that are at high risk for Ebola. These include Benin, Ghana, Guinea Bissau and the Democratic Republic of the Congo. USAID, the Centers for Disease Control and Prevention (CDC) and the Department of Defense (DoD) are undertaking joint planning visits to all U.S. government priority GHSA countries, including those funded with FY 2015 Ebola Supplemental funding, to identify priority activities for each Agency.

These plans are not yet complete but are expected to be finalized in the coming months. The plans will provide the five year roadmap for achieving GHSA objectives, as well as specific plans for USG supported activities, including for USAID. Monies obligated with Ebola Supplemental to date are shown in the monthly report that goes to Congress.

**Questions for the Record Submitted by
Representative Kay Granger (19)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations,
Committee on Appropriations
February 11, 2015**

Question:

Please provide a comparison of the use of GHSA funds by USAID versus the Centers for Disease Protection and Control.

Answer:

Launched on February 13, 2014, the Global Health Security Agenda brings the U.S. and a coalition of international partners together to accelerate action to protect populations from the threats that infectious diseases pose to human life, the global economy, and our national security. The United States has committed to working with at least 30 partner countries to strengthen capacity to prevent, detect, and respond effectively to infectious disease threats like Ebola, as well as other naturally-occurring, deliberate or accidental outbreaks.

A number of USG agencies are working together to implement the GHSA. In addition to USAID and the Centers for Disease Control and Prevention (CDC), these include the Department of Defense and the Defense Threat Reduction Agency, Health Affairs and the Combatant Commands;

the Department of State (DoS) and the DoS's Biosecurity Engagement Program; and other parts of Health and Human Services including the Food and Drug Administration. At the country level, USAID, CDC, DoD, and Embassy staff are generally the primary partners with host-country governments and other local organizations and partners.

Both CDC and USAID have capacity to work in all the GHSA action packages, although the specific activities supported by each agency vary from country to country, and there are specific activities that CDC is supporting that USAID in general not supporting, and similarly, that USAID is supporting that CDC, in general, is not. For example, USAID has extensive engagement with "animal-human" interface (where infectious disease spillover occurs) and collaboration with Ministries of Agriculture and Environment and with animal health professionals; CDC has extensive engagement and experience in epidemiology training through the Field Epidemiology Training Programs for public health officials. USAID is not using the Ebola Supplemental funding for the anti-microbial resistance or immunization GHSA action packages; however through USAID's tuberculosis and malaria and immunization programs, there are extensive

foundational investments in these areas that will be core to the additional GHSA supported work.

USAID and CDC - as well as the other GHSA interagency partners - are working very closely together to develop detailed country plans for GHSA implementation in sixteen “Phase One” countries. These jointly developed plans lay out what activities and components of the GHSA Action Packages will be supported by which USG agency, ensure there is no duplication, and that the USG partners most effectively with the country leadership and others to achieve the greatest impact on GHSA objectives. Joint planning visits have already taken place in Cote d’Ivoire, Senegal, Kenya, Uganda, Indonesia and Vietnam.

**Questions for the Record Submitted by
Representative Kay Granger (20)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations,
Committee on Appropriations
February 11, 2015**

Question:

Who will be the implementers for USAID funds for this purpose?

Answer:

USAID's Emerging Pandemic Threats (EPT) program strengthens capacities in developing countries to prevent, detect, and control infectious diseases in animals and people with an emphasis on early identification of, and response to, dangerous pathogens from animals before they can become significant threats to human health. USAID's implementing partners include: University of California-Davis, EcoHealth Alliance, Metabiota Inc, Smithsonian Institution, Wildlife Conservation Society, Food and Agriculture Organization (FAO) of the United Nations, Development Alternatives Incorporated (DAI), Training Resources Group (TRG), The Futures Group, Tufts University, University of Minnesota, and the African Field Epidemiology Network (AFENET).

**Questions for the Record Submitted by
Representative Kay Granger (21)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations,
Committee on Appropriations
February 11, 2015**

Question:

How will polio surveillance programs administered by USAID and CDC not be additional and duplicative to the GHSA program?

Answer:

All GHSA activities will build upon and complement long-standing programs and activities being implemented by the USG such as polio surveillance efforts. In preparing specific country plans for GHSA, USAID and CDC collaborate in each country and at headquarters to ensure that activities supported by each agency and others are not duplicative. This collaboration ensures that our programs complement each other and produce the greatest impact on GHSA objectives.

For USAID, none of the GHSA specific funding is being used for polio. Polio efforts are funded through the polio directed funding. GHSA funds are being used for the other GHSA action packages including targeting high-risk-behaviors and practices associated with the "spill over" of dangerous pathogens into human populations to reduce the threat of future

epidemics; building capacity to routinely monitor for the presence of dangerous pathogens in the animal population as well as build up the capacity of the health system in areas of surveillance, laboratory capacity, and effective and timely infection control; and building the capacity of professionals from public health, medicine, veterinary medicine, and wildlife conservation to monitor and respond to animal viruses that are becoming threats to public health.

Efforts to expand surveillance capacity will build on the work that is being done in many of these countries through the polio program, but will not duplicate those efforts.

**Questions for the Record Submitted by
Representative Kay Granger (22)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations,
Committee on Appropriations
February 11, 2015**

Question:

Please provide the number of African Union medical personnel on the ground at its peak, and currently, to respond to the Ebola crisis.

Answer:

The African Union Support for the Ebola Outbreak in West Africa (ASEOWA) currently has approximately 650 healthcare workers deployed in Guinea, Liberia, and Sierra Leone. As of February 2015 ASEOWA had a total of 858 healthcare workers of which 115 Economic Community of West African States (ECOWAS) volunteers under ASEOWA command and 743 ASEOWA healthcare workers deployed in national contingents from Nigeria, Democratic Republic of the Congo, Ethiopia, South Africa, and Kenya in addition to individual volunteers from other countries. These volunteer healthcare workers were selected from thousands of applications from AU member states.

**Questions for the Record Submitted by
Representative Kay Granger (23)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations,
Committee on Appropriations
February 11, 2015**

Question:

Please provide detail about which donors paid for the African Union medical personnel and how much.

Answer:

According to African Union (AU) reports received via the U.S. Mission to the AU (USAU), foreign donors have pledged approximately USD 30-31 million to African Union Support to Ebola Outbreak in West Africa (ASEOWA), of which approximately USD 24 million has been disbursed to date. The United States is the largest donor to date with USD 10 million, followed by Sweden at USD 6.2 million, the EU at USD 5.6 million, Japan at USD 3.2 million, China at USD 2 million, Norway at 2.75 USD million, and Turkey at USD 1 million. Additionally, we understand from the AU that African private sector donors have pledged up to USD 21 million and AU Member States have made other contributions through the African Development Bank.

**Questions for the Record Submitted by
Representative Kay Granger (24)
Ambassador Steve Browning
Subcommittee on State, Foreign Operations,
Committee on Appropriations
February 11, 2015**

Question:

What is the State Department's assessment of the success of using African Union medical personnel for this purpose?

Answer:

The healthcare personnel deployed through the African Union, both clinical and non-clinical, have been a welcome resource in curbing the Ebola outbreak. Many of the responders had previous experience combatting Ebola outbreaks in Central Africa, where the disease first emerged in 1976 and has recurred intermittently. As the disease is now endemic in West Africa, these experts may provide important guidance on managing the long-term potential for additional outbreaks. The deployment of over 800 responders through the African Union was an excellent example of African leadership in solving African problems and demonstrated regional solidarity.

WEDNESDAY, FEBRUARY 25, 2015.

U.S. DEPARTMENT OF STATE

WITNESS

HON. JOHN KERRY, SECRETARY, U.S. DEPARTMENT OF STATE

OPENING STATEMENT BY CHAIRWOMAN GRANGER

Ms. GRANGER. The Subcommittee on State, Foreign Operations, and Related Programs will come to order.

Mr. Secretary, I welcome you back to the subcommittee. There are many serious foreign policy matters and budget issues that Members will want to address with you during our time. We look forward to your testimony.

At the top of the list is addressing the threat of the Islamic State and terrorists affiliated with ISIL. As Egypt, Jordan, and the Kurds in Iraq are retaliating and defending themselves against the group's heinous acts, security assistance is being delayed by bureaucratic processes across many agencies and poor policy decisions by this administration. As a result, our most trusted and capable partners in the region are not getting the help they need.

Mr. Secretary, there are no excuses for this delay. I know that this delay is not your responsibility alone, and I have voiced my concerns directly to the President, as you know. Our allies and partners in the Middle East must get the help they need now to combat ISIL—not next week, next month, or next year.

In Ukraine, violence continues despite a ceasefire that was reached almost 2 weeks ago. We want to hear your thoughts on steps being taken to resolve the situation and what assistance is needed to support the people of Ukraine and the region to combat Russian aggression.

In Afghanistan, even with a new government in office and a signed bilateral security agreement, there are continued challenges, and, in fact, the security environment remains so unstable that our diplomatic and development personnel are pulling back to Kabul.

In Africa, Boko Haram has not backed down. They are still on the offensive, committing unspeakable acts of brutality. And while there has been progress in ending the violence caused by the Lord's Resistance Army, the leader of the group, Joseph Kony, remains at large.

For nearly a year and a half, you have worked with our international partners to put in place an agreement with Iran, and the United States must keep the pressure on as a final deal is negotiated. I am closely watching the elements of an agreement. I know many of my colleagues share my concerns. The security of the United States and our steadfast ally Israel is at stake.

I hope you will address each of these policy issues today.

In addition, we have questions about the budget request for your department's operations and foreign assistance programs. The total funding level requested for the State Department and USAID is 6 percent above last year, but, even at that level, you have sacrificed some of the priorities of members of this committee to make room for the administration's initiatives.

It is difficult for me to justify a new \$500 million program at the United Nations to fight global climate change and additional funding for an embassy in Cuba when, once again, many programs that have bipartisan support have been reduced below last year's level, such as democracy assistance and humanitarian programs.

Another issue we will continue to address together is ensuring the safety of our Nation's diplomats. We need assurance that funding is being used effectively to address the most urgent security needs.

Next, I want to mention an issue that I know is a priority for you, Middle East peace. Negotiating a peace deal requires trusted partners, and the recent actions by President Abbas at the International Criminal Court have jeopardized the trust that has been built over the years. We want to hear how you plan to respond to the Palestinians' move to join the ICC. And we question why the administration's budget request includes another \$440 million for the West Bank and Gaza in light of these very troubling actions by the Palestinian leadership.

Finally, I want to mention an issue that is a priority for me, a foreign policy issue in our own backyard. The administration's budget request includes \$1 billion for the Central American countries, more than double the amount provided last year.

Many members of this subcommittee understand the need for an increased investment in these countries to stop the flow of illegal immigration to the United States. I have, visited these countries and the U.S.-Mexico border several times and have seen this crisis firsthand. We need your help today to understand such a large investment and how it would change the situation on our border.

Our neighbor Mexico is on the front lines of combating these troubling patterns of immigration from Central America. We must do all we can to help Mexico strengthen its borders and turn away those traveling illegally from Central American countries. We must also support and use the capabilities of partners in the region, such as Colombia, to continue to develop and implement a comprehensive security strategy.

In closing, I want to thank you and the thousands of diplomats, development officers, and implementing partners for what you do every day to promote U.S. interests abroad. You have a very difficult job, and all of the members of this subcommittee recognize that.

We also know that the United States must lead in these troubling times. It is our responsibility to hold you to account for managing the funds this committee provides to address these challenges.

I will now turn to my good friend, the ranking member, Mrs. Lowey, for her opening remarks.

**FOR IMMEDIATE RELEASE**

February 25, 2015

Contact: [Steve Dutton](#) | (202) 225-5071**GRANGER OPENING STATEMENT: BUDGET HEARING -
DEPARTMENT OF STATE**

The Subcommittee on State, Foreign Operations, and Related Programs will come to order.

Mr. Secretary, I want to welcome you back to the subcommittee. There are many serious foreign policy matters and budget issues that Members will want to address during our time with you. We look forward to your testimony today.

At the top of the list is addressing the threat of the Islamic State and terrorists affiliated with ISIL. As Egypt, Jordan, and the Kurds in Iraq are retaliating and defending themselves against the group's heinous acts, security assistance is being delayed by bureaucratic processes across many agencies and poor policy decisions by this Administration. As a result, our most trusted and capable partners in the region are not getting the help they need. Mr. Secretary, there are no excuses for this delay. I know that this delay is not your responsibility alone and I have voiced my concerns directly to the President. Our allies and partners in the Middle East must get the help they need now to combat ISIL – not next week, not next month, and not next year.

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In Africa, Boko Haram has not backed down. They are still on the offensive committing unspeakable acts of brutality. And while there has been progress in ending the violence caused by the Lord's Resistance Army, the leader of that group, Joseph Kony, remains at large.

For nearly a year and a half, you have worked with our international partners to put in place an agreement with Iran, and the United States must keep the pressure on as a final deal is negotiated. I am closely watching the elements of an agreement, and I know many of my colleagues share my concerns. The security of the United States and our steadfast ally, Israel, is at stake.

I hope you will address each of these policy issues today.

In addition, we have questions about the budget request for your department's operations and foreign assistance programs. The total funding level requested for the State Department and U.S.A.I.D. is six percent above last year. But even at that level you have sacrificed some of the priorities of the Members of this committee to make room for the Administration's initiatives.

It is difficult for me to justify a new \$500 million program at the United Nations to fight global climate change and additional funds for an embassy in Cuba, when once again many programs that have bipartisan support have been reduced below last year's level, such as democracy assistance and humanitarian programs. Another issue we will continue to address together is ensuring the safety of our nation's diplomats. We need assurance that funding is being used effectively to address the most urgent security needs.

Next, I want to mention an issue that I know is a priority for you -- Middle East Peace. Negotiating a peace deal requires trusted partners, and the recent actions by President Abbas at the International Criminal Court have jeopardized the trust that has been built over the years. We want to hear how you plan to respond to the Palestinians' move to join the I.C.C., and we question why the Administration's budget request includes another \$440 million for the West Bank and Gaza in light of these very troubling actions by the Palestinian leadership.

Finally, I want to mention an issue that is a priority for me -- a foreign policy issue in our own back yard. The Administration's budget request includes \$1 billion for the Central American countries - more than double the amount provided last year. Many Members of this subcommittee understand the need for an increased investment in these countries to stop the flow of illegal immigration into the United States. I have myself visited these countries, and the U.S.-Mexico border, several times and have seen this crisis first-hand. We need your help today to understand how such a large investment would change the situation on our border. Our neighbor, Mexico, is on the front lines of combating these troubling patterns of immigration from Central America. We must do all we can to help Mexico strengthen its borders and turn away those traveling illegally from Central American countries. We must also support and use the capabilities of partners in the region, such as Colombia, to continue to develop and implement a comprehensive security strategy.

In closing, I want to thank you and the thousands of diplomats, development officers, and implementing partners for what you do every day to promote U.S. interests abroad. You have a very difficult job and all of the Members of the subcommittee recognize that, but we also know that the United States must lead in these troubling times. It is our responsibility to hold you to account for managing the funds this committee provides to address these challenges.

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OPENING STATEMENT BY MRS. LOWEY

Mrs. LOWEY. thank you to my good friend, Madam Chair.

And welcome. We are so delighted to welcome our extraordinary Secretary of State.

But before I officially do, if I can ask for the indulgence of the chair, I would like to acknowledge the absence of our colleague from California, Barbara Lee, who is unable to attend this important hearing today. Barbara is a longtime member of this subcommittee and an advocate of so many vital issues that we deal with in this subcommittee.

As many of you know, she is not here today due to the recent passing of her mother, Mildred Parish Massey. And I just want her to know that our thoughts and prayers are with her and her family during this difficult time.

Thank you very much.

Well, Secretary Kerry, welcome back. You continue to represent our country with passion, dedication, energy, strength. I really do want to thank you for your tireless efforts.

Since you were sworn in 2 years ago, you have worked diligently on Middle East peace and Iranian nuclear negotiations; faced non-stop crises in Syria, Iraq, and Ukraine; consistently worked to counter terrorism and advocated for human rights and humanitarian needs.

Since the last time you testified, we have seen unspeakable atrocities committed by ISIL, terrorist attacks in the heart of Europe, multiple humanitarian disasters in Africa, devastating refugee crises even on our own southern border, anti-Semitism once again dangerously on the rise, and several countries on the brink of disintegration.

Diplomacy and development are needed now more than ever to address these challenges and countless other global priorities. And, again, I want to say we are fortunate to have a person of your intelligence and your caliber in this role today. Thank you.

I want to start with Iran. With the negotiations underway, I hope you can update us on progress made to narrow the gap since the last extension. We all agree we must make it impossible for Iran to make nuclear weapons, so I hope you will assure the members of this committee that any final deal will verifiably close all possible pathways to a bomb, dismantle crucial elements of Iran's current program, and ensure the IAEA access to Parchin. The final agreement must achieve these objectives.

Additionally, I would like your assurances that the United States will remain in close communication with our key allies in the region during the remainder of the negotiations.

I am also very concerned about any new funding for the Palestinian Authority, given President Abbas's unilateral actions before the United Nations Security Council and the International Criminal Court. I hope you will update us on your review of U.S. assistance, which, as you know, is intentionally conditioned to discourage provocative actions that undercut the peace process.

Has there been any movement at all toward renewed negotiations between the Palestinians and the Israelis? I know how hard you have worked and how committed you are to that process. Since

Abbas has pursued action at the ICC, do you think it is even possible for the parties to get together to reach a deal?

With regard to Ukraine, I am pleased to see the request includes strong economic and security assistance to help counter Russian aggression. At the same time, I am very concerned about next steps should the current ceasefire unravel.

This year's request also includes funding for new initiatives in Central America and Africa as well as a multilateral fund on climate change, yet the request reduces humanitarian and disaster assistance by \$750 million compared to last year's levels. I look forward to hearing your rationale.

I would also ask that you update this committee on our investments in health, women's empowerment, food security, and international family planning, all of which are vital components to our foreign policy objectives of improving lives, expanding economic opportunity, and enhancing our own national security.

Lastly, while an improvement over prior requests, this year's budget request again fails to prioritize international basic education. I know we agree that educated girls and boys better protect themselves from hunger, poverty, disease, and, ultimately, extremism. As you have heard me say before, we simply cannot build the world we want for ourselves and for future generations without education at the center of our efforts.

So I thank you again for your leadership, your commitment, your extraordinary hard work, and for being here today. Thank you.

Ms. GRANGER. I will now yield to Chairman Rogers for his opening statement.

OPENING STATEMENT BY CHAIRMAN MR. ROGERS

Mr. ROGERS. Thank you, Madam Chairwoman.

Mr. Secretary, welcome back to the Hill. I admire your tenacity and your physical prowess, putting up with the long travels that you constantly are undergoing.

You are serving as the Nation's chief diplomat during a truly tumultuous period.

Undeniably, the threat posed by ISIS demands our immediate attention. We have seen this group of terrorists senselessly kill innocent civilians and our partners and allies in the fight against ISIS, and they are stepping up threats to Western targets. ISIS brutality seemingly has no limits.

The President has asked other countries to play a prominent role in dismantling ISIS, and the U.S. must support our friends and allies in this endeavor. I echo the chairwoman's concerns that security assistance for Egypt, Jordan, and the Kurds in Iraq must be delivered with all due haste.

When our allies and partners are beating back a shared foe, they should be able to count on our country to come to their aid. I fear that countries like Russia are all too eager to fill any perceived vacuum in U.S. leadership, and I hope you can address that concern today.

Speaking of support for our friends in the Middle East, I look forward to hearing from you about the peace process and its impact on Israel. You have personally poured metaphorical blood, sweat, and tears into this critically important effort, working hard to cre-

ate a conceptual framework for talks between Israel and the Palestinians.

Unfortunately, the Palestinians have largely walked away from those talks, preferring instead to pursue unilateral actions at the United Nations and to join the International Criminal Court. We look forward to hearing what the next steps might be to get peace talks back on track.

As Israel's closest ally, the United States must remain strong as nuclear talks with Iran near their conclusion. Stability in the region, which is tenuous on a good day, depends on a resolution wherein Iran is not taking any steps toward a nuclear weapons capability.

The press reports that some troubling concessions may be made to Iran despite the fact that Iran defiantly refuses to answer IAEA's longstanding questions about suspected work on nuclear weapons designs are troubling.

I look forward to your thoughts about the process of these negotiations, your level of confidence that Iran will comply with the terms of any agreement that might be ultimately reached, and what actions the U.S. will take to enforce the terms of any deal. Certainly, we hope diplomacy yields results, but any deal must have teeth to be effective. Economic pressure and a credible military option should be fundamental tenets of negotiating an agreement.

And, finally, Mr. Secretary, I regret that we do not agree on the administration's climate change policies around the world. The President's politically driven anti-coal environmental policies have wreaked havoc domestically, sending tens of thousands of hard-working Americans to the unemployment lines and casting into question our country's long-term energy security.

Coal exports are the one bright spot for the thousands of mining families who are facing disastrous economic conditions in my district and elsewhere, and yet administration officials will not promote coal as part of its Power Africa initiative.

However, this anti-coal posture by the U.S. will not preclude emerging African governments from making use of this reliable, ubiquitous, and affordable natural resource. These emerging countries, ripe for investment, will instead turn to the Chinese for financing and technology to build the same coal-fired power plants. With China's terrible environmental record, the projects they will fund will be dirtier than if American companies were involved.

At the end of the day, these policies are anti-American-jobs and they will not have the intended environmental benefits.

I also heard that the administration is encouraging members of the Organisation for Economic Co-operation and Development to impose stringent conditions on the public financing of overseas coal-fired power plants. As coal capture and sequestration technology is not yet commercially available, these conditions would result in a de facto ban on OECD public financing of coal plants in much of the world.

For example, this plan could preclude funding for highly efficient coal plant investments in Pakistan. Given U.S. national security interests and Pakistan's role in the fight against terrorism, the U.S. should be encouraging affordable and reliable electricity that can

bolster economic growth and job creation in that country, in turn reducing instability.

In addition, the administration's policies have recently denied Overseas Private Investment Corporation, OPIC, support to an important energy sector project in Ukraine. I hope you can explain how these policies are in the long-term interests of our country and our allies and partners.

Mr. Secretary, thank you for taking time to be with us today. This committee takes seriously our role in overseeing the budget and policies of the Department. We appreciate your continued engagement with us.

Thank you, Madam Chairman.

Ms. GRANGER. Secretary Kerry, please proceed with your opening remarks. Your full written statement, of course, will be placed in the record. We are going to have another set of votes fairly soon, so I would ask you to summarize your statement so we can try to get a full round of questions before those votes.

Secretary Kerry.

Secretary KERRY. Well, thank you. Thank you very much, Madam Chairwoman; Madam Ranking Member, my friend Nita Lowey. Mr. Chairman of the full committee, Hal Rogers, thank you very much.

I appreciate the enormously generous welcome from all of you, and I particularly appreciate the opportunity to be able to be here. I think we have some of the best dialogue on the Hill in this committee, and I always appreciate the chance to share thoughts with you.

And that is what I want to do. This is not, this is not a combat. This is really a way to find mutual understanding about the Nation's priorities. Historically, we have always said that politics should end at the water's edge when it comes to American foreign policy, and what we are here to find is the common ground with respect to our interests and our values as we project them in the context of foreign policy.

And that is what foreign policy is. It is the best enhancement of that combination—our values, our interests. There is always a balance. Sometimes one takes a little more precedence than the other, and people are uncomfortable one way or the other. But that is the objective, and, in the end, it is to keep the American people safe and keep our country strong.

You have all laid out a broad array of issues which I couldn't begin, obviously, in just an opening comment to address. So I am going to leave them aside for a minute and honor the notion that you do have a few votes coming quickly and we want to really have the dialogue I talked about. So I am going to give a very, very short summary.

We are here to talk about 1 percent of the budget—1 percent of the entire Federal budget. That is what we put into foreign policy. Between USAID and the State Department and our general operations, you are talking about \$50.3 billion. And that 1 percent, my friends, I promise you, will account for more than 50 percent of the history of this era when it is written.

So I personally believe it ought to be much bigger than 1 percent, and I think we have very justifiable reasons for making it so. That

is not the budget we have in front of us and that we are arguing about here today, but I ask you to keep that in the forefront of your minds as you think about all of these priorities. Because we are robbing Peter to pay Paul right now. We are cannibalizing some programs—you have mentioned it yourself—to do other things that we need to do that are priorities, and I don't think in the end that serves America as well as we should be.

I think that the richest country on the face of the planet, which has significantly reduced its deficit, can examine its priorities without a sort of rote, automatic process of sequestration or otherwise by which we limit real choices. And I just want to start with that.

Secondly, I will say to you very quickly that this is as complicated a time as, in many ways, we have ever faced, because the world has changed so dramatically in the last 20 years. Everybody is connected to everybody all the time. The numbers of cell phones in even poor countries is staggering.

And the degree to which people know what other people have affects what they want. Aspirations are burgeoning in all kinds of places that it was never allowed to even be thought of, historically. So, in the Middle East, in the Sahel, in the Maghreb, in the Arabian Peninsula, in South-Central Asia, in Asia, I mean, countless places, there are pressures being released that are changing the dynamics of foreign policy.

In many ways, we are looking at a world where states are behaving in the ways—and within the states, all kinds of different entities behaving independently with their own agenda, unlike the sort of clarity that seemed to define the differences in the course of the cold war—communism, freedom, democracy, et cetera. And we know that, in many dictatorships, many of these kinds of aspirations were tamped down, through tyranny and oppression, but tamped down, so we didn't have to cope with them. Now we do.

It is counterintuitive, but the truth is that, notwithstanding the threat of ISIL, notwithstanding people being beheaded publicly and burned publicly and the atrocities that they are perpetrating—and it is a serious, serious challenge to us—notwithstanding that, there is actually less threat and less probability of people dying in some sort of violent conflict today than at any time in human history. And with advances of health and with advances of statehood and other kinds of things, we are living in a very different world.

I am not going to go into all of that now. I just want to end my quick opening by saying to you this: I am proud of the way President Obama and this administration are, in fact, leading on issue after issue after issue. And while some may disagree with the choice that is made and some may feel that not enough was done in Libya, Syria, or in some particular place, I am telling you that never before in our history have so many crises and so many trouble spots and so many larger policy challenges been managed simultaneously and, I think, have been kept on track as much as they are today.

And I will be specific. In ISIL, we built a global coalition that has Arab countries actually flying sorties against Arab countries in the Gulf, 60 nations participating in an effort we will talk about a bit today.

In Iraq, we helped to guide and implement a transition of a government, with choices made by the Iraqis, their choices, their destiny, but we helped to create a framework within which they were transitioning from a Prime Minister Maliki to a Prime Minister Abadi and a new government that we could work with in order to be able to go out and fight against ISIL.

In Afghanistan, we helped to shepherd a coalition government to emerge out of an extremely questionable election and close and negotiate a BSA and hopefully be in a position to transition Afghanistan.

In the Iran negotiations, we are not complete. I don't know if we will get there. But I know that trying is the essence of United States leadership, to find out whether or not there is a way with diplomacy to succeed in preventing a country from getting a nuclear weapon, and that we owe it to our citizens and the world to prove our willingness to try to do it peacefully before we have to make other choices if we did.

On Ebola, there were predictions of a million people dying by Christmastime. At the moment that President Obama made the decision to deploy 4,000 American troops to go over there and help build the capacity to be able to try to prevent that from happening, there were huge questions at the time about how fast it might spread and how dangerous that might be, what might happen.

But because of American leadership pulling together countries all over the world, you can now look at Liberia and Guinea and Sierra Leone and see huge reductions in infection and see that, indeed, Americans are not waking up every day to the news of some new infection and some new challenge.

On AIDS in Africa, we are on the cusp because of our additional efforts, which you have shared, you have helped lead, on the cusp of an AIDS-free generation of children.

In Ukraine, we have held together, cobbled together, pieced together, cajoled, and managed to effect a series of sanctions that have—while not stopping everything altogether, no, nevertheless, has given Ukraine an opportunity to survive as an independent and sovereign Ukraine and has cost Russia a lot.

Mr. Putin may be able to look at what is happening today in Donetsk or Luhansk or Debaltsevo and say, wow, I am going a great job on short-term tactical stuff. But I will tell you this: Russia is not doing great right now—50 percent reduction in the ruble's value, \$151 billion of capital flight, predictions that Russia will be in recession this next year, extraordinary restraint on growth. And that has happened because of the coordinated sanctions that we put in place.

Now, there is more that I could run through. I am not going to do it all now, but I will just tell you: Between TPP and TTIP, we are pursuing two of the most ambitious and important trade agreements in recent history.

Forty percent of global GDP is wrapped up in the TPP. If we can achieve that, we will have a definition of the new standards of doing business in the region. And even China has said to us, if this works, if it comes together, could we join it? We are far better ultimately seeing a China join an upgraded set of standards for doing

business and rules of the economy and trade than to not do that and have others write those rules or have no rules at all.

So I can run through, finally, on climate—we can talk about climate, Mr. Chairman. I hope we will in the course of this. China, up until last year, was an opponent to doing anything about climate change. But because we reached out and worked with them, starting literally a month and a half after I became Secretary, President Obama was able to go over there, and China joined in a deal to announce its targets for the reduction of emissions and fossil fuel dependency and a commitment of a goal to achieve alternative, renewable, and efficient energy.

It is a huge impact. And because of that, in Lima, Peru, other countries came together and joined in to say, we have to make Paris negotiations a success this year.

So I would say to you that, whether it is in the Arctic, the Arctic Council, which we will assume the chairmanship of in about a month and a half, or whether it is on any of these things I have listed—there are many things I haven't listed—cybersecurity, health, health structure—around the planet, the United States of America is proving that, when we lead, we can make a difference. And the world needs that leadership.

And I hope that in this budget we can reflect the fact, ultimately, that the 1 percent we put into these endeavors which result in so much benefit in the long term, so much security to Americans, will not be nicked and dined at a critical moment where we need to bolster yet more those things that we are able to do, like the broadcasting, the countermessaging of ISIL, the counterterrorism initiatives we need to employ, the deprivation of the pool of recruits for ISIL. These are intensive efforts, and they will require a financial commitment. And we need to understand the connection.

Mr. Chairman, I think you said something about the importance here of taking the budget role seriously. I know you do. But we need to connect the dots for everybody in America of the money spent out of this committee and the United States Congress on the security of our Nation that comes to us through the work of diplomacy and the work of development on a daily basis.

And, frankly, we have been hurrying ourselves in the past years, where there has been a reduction from the population growth rate and the need and demand for that kind of investment.

Madam Chair, thank you.

Secretary of State John Kerry
Before the House Committee on Appropriations
Subcommittee on State, Foreign Operations,
and Related Agencies
Wednesday, February 25, 2015

Madam Chairwoman, Chairman Rogers, Ranking Member Lowey and Members of the Committee; thank you for the opportunity to testify today regarding America's international leadership and the Administration's budget request for the State Department and related agencies for the 2016 fiscal year.

Last month, in his State of the Union Address, President Obama said that we "lead best when we combine military power with strong diplomacy; when we leverage our power with coalition building; [and] when we don't let our fears blind us to the opportunities that this new century presents."

It is with that guidance in mind that we submit our budget to you this year and ask for its fair consideration and approval. We do so at a time and in a world that is marked both by stark tragedy and by great promise, a world where America's role is critical as are the resources that only Congress can provide. So we ask for your help. America must lead, but cannot do so on the cheap. The money we devote to the entire range of foreign policy programming, everything from embassy security to our counter-terrorism and nonproliferation initiatives, amounts to only about one percent of the federal budget, yet it may impact fifty percent of the history that will be written about this era. So we all have a job – to do everything we can, working together, to shape that history in ways that advance our nation's interests and uphold the values of the people we represent.

Madam Chairwoman, within the FY 2016 President's budget request, the Department of State and USAID are seeking a total of \$50.3 billion in discretionary funding, including \$7.0 billion for Overseas Contingency Operations. Our requests for all accounts include:

- \$3.5 billion to counter the terrorist network known as ISIL, address the crisis in Syria, bolster regional security, and respond to the humanitarian catastrophe brought on by the crises in Syria and Iraq;

UNCLASSIFIED

- 2 -

- \$3.1 billion in continued support for our democratic partner, Israel;
- \$639 million to help our friends in Ukraine, Georgia, and Moldova as they seek to strengthen their democracies, withstand pressure from Russia, and to integrate more closely into Europe;
- \$1.4 billion to support our activities in and to implement the President's strategy to rebalance to the Asia-Pacific region;
- \$1 billion to address the root causes of illegal migration from Central America to the United States, including the inhumane and perilous migration of unaccompanied children;
- \$5.4 billion to finance our leadership and support for international organizations and peacekeeping efforts and thereby ensure that other nations will share the costs and burdens of maintaining global stability and strengthening consensus principles and norms;
- \$3.4 billion to reinforce our partnerships and diplomatic engagement with Afghanistan and Pakistan;
- \$4.8 billion for Embassy Security that will enable the Department to support overseas security requirements for our personnel and facilities, and continue implementing the recommendations of the Benghazi Accountability Review Board. These critical investments make possible the work of our diplomats to advance American interests worldwide, assist our citizens, and promote our ideals;
- \$1.2 billion to support public diplomacy and exchanges;
- \$8.2 billion for global health, including programs to end preventable child and maternal deaths; combat infectious disease through the Global Health Security Agenda; and create an AIDS-free generation;
- \$808 million to invest in clean energy, sustainable growth, and measures to curb the harmful impacts of global climate change; and
- \$978 million for the President's Feed the Future initiative to promote agriculture-led development and help reduce poverty and hunger.
- \$390 million for the President's Counterterrorism Partnerships Fund to support counterterrorism activities, countering violent extremism, and crisis response, as well as provide enabling support to partners engaged on the front lines against terrorism.
- Over \$2 billion for democracy, human rights, and governance programs that support governments and citizens to build societies where people can address

UNCLASSIFIED

- 3 -

legitimate grievances through the democratic process and express themselves through strong civil societies.

Madam Chairwoman, decades ago, in the aftermath of World War II, Dean Acheson wrote that the problems that bedevil American foreign policy are not like headaches that can be cured by taking an aspirin and getting a good night's sleep. "They will," he asserted, "stay with us until death. We have got to understand that all our lives the danger, the uncertainty, the need for alertness, for effort, for discipline will be upon us. This is new to us. It will be hard for us. But we are in for it and the only real question is whether we shall know it soon enough."

Secretary Acheson's words remind us that we long ago entered into an era of virtually nonstop danger, whether in one part of the world or another or regarding one type of challenge or another. The test for our leadership has never been to entirely eliminate those risks, because that is not possible; the test has been whether we can manage them decisively over time in ways that reduce the peril and strengthen the forces of democracy, humanity, justice, and law.

That is precisely the task that confronts us today just as it has confronted earlier administrations and generations. And I believe that, once again, our country is answering the call. We can see that leadership in the brave service of our fighting men and women on duty in strategic outposts and waterways across the planet. We can see it in our citizens who contribute to international civil society and who work hard every day to address and ease global challenges from extreme poverty to women's rights and the protection of religious liberty and other precious freedoms. We can see it in the work of our development professionals who are helping millions of people overseas to build strong communities, expand markets, and contribute to shared prosperity. We can see it in the Members of Congress from both parties who devote countless hours to meeting with international partners and to thinking about how best to harness our resources and relationships to address shared problems. And we can see it in the daily efforts of our diplomats to defend America's interests, advocate our principles, and strengthen our country's position in the world.

UNCLASSIFIED

- 4 -

Madam Chairwoman and members of the Committee, there can be no question that our diplomatic engagement around the globe today is as deep and as strong as it has ever been. Let me point to just a few examples of where our leadership backed by our resources is making an important difference.

To begin, our country's leadership is on display in mobilizing actions across the globe to counter and prevent violent extremism. Just last week, the White House convened a landmark conference to build solidarity and identify concrete plans to address both the immediate and long term challenges. The United States is committed to helping countries in vulnerable regions to enhance their capacity to defeat terrorist networks and to rebut the radical ideologies that drive those networks. We have also taken the lead in a robust international effort to combat the terrorist group known as ISIL. Frankly, coalition building is a natural fit for the State Department – we're in the business of bringing other countries to the table to support mutual interests. And because ISIL is a threat to us all, this menace has galvanized a Coalition with more than 60 members, a Coalition that is as diverse as it is dedicated.

Already, nine countries are contributing to air strike operations in Iraq and a dozen have committed to train security forces there. Coalition partner pilots are also flying strike missions in Syria, and hosting the train and equip program for the moderate opposition. Meanwhile, we're pooling information and resources to cut ISIL's profits from smuggling and to block access to banks. Our air strikes have reduced ISIL's ability to profit from oil sales. To slow recruiting of foreign terrorist fighters, we're engaged in capacity building in the Balkans, criminal justice reform in North Africa, helping high-risk communities in the Middle East, and tightening security at airports. These efforts are in addition to the humanitarian aid that the United States and many other countries have contributed to care for refugees and displaced persons in Jordan, Lebanon, Syria, and elsewhere in the region.

We are doing much; but we're still in the early stages of a multi-year campaign. Going forward, we must turn up the heat. Thus far, whenever our local partners have engaged the enemy on the ground with Coalition support from the air, we have prevailed. And the fact is that ISIL's momentum – which some called

UNCLASSIFIED

- 5 -

unstoppable just a few months ago – has dissipated. A key supply line has been severed. Terrorist fighters can no longer mass and maneuver in large convoys due to Coalition airstrikes.

Throughout, the Coalition has been working closely with the government of Iraq and with moderate elements of the Syrian opposition. Success on the ground will depend on strong and legitimate local partners. That's why this year's request includes \$355 million to support critical governance and security reforms in Iraq. Nothing will contribute more to the defeat of ISIL than an Iraqi government that governs inclusively, respects the rights of and protects all of its citizens with the help of a professional security force, and as a result enjoys the full support of its people.

Success will also be more likely if America is able to speak with one voice in our determination to defeat ISIL. Earlier this month, the President transmitted to Congress a draft Authorization to Use Military Force that provides just such an opportunity. As someone who served on Capitol Hill for almost thirty years, I welcome this step and look forward to discussing all aspects of this very important proposal with you. The approval of this authorization would provide a clear and powerful signal of American unity and resolve.

The fight against violent extremism also continues in Central and South Asia.

This year, Afghanistan will exercise full responsibility for its security forces, making possible a significant reduction in the U.S. military presence. We will, however, continue to consult with Kabul on security matters, and to administer a robust train, advise, and assist mission. We are also requesting \$1.5 billion to support the new Afghan unity government as it strives to implement reforms and improve economic performance. This aid will be targeted at helping Afghanistan to move ahead through better governance, investments in health, education, and infrastructure, and the equitable treatment of women and girls.

In Pakistan, the United States is working with the government to counter terrorist groups that threaten our shared security. Last month, I met with the country's leadership for our annual Strategic Dialogue and found – in the wake of the

UNCLASSIFIED

- 6 -

December 16 terrorist attack on the military school that murdered 132 children – a vigorous commitment to take on and defeat violent extremist groups. In recognition of our long-term engagement with the Pakistani people, we're also helping to promote development, energy security, health, and education.

At the same time, through constant diplomacy and the exchange of historic visits by our heads of government, we've strengthened our ties with India, the world's largest democracy, on economic issues, security cooperation, science, and clean energy.

Closer to home, in Europe, we have been steadfast in supporting Ukraine's recently-elected government against illegal intervention by Moscow and violence from the armed separatists that Moscow backs. Working closely with our international partners, we have approved targeted sanctions – including against Russia's financial, energy, and defense sectors – that have imposed a clear cost on the Russian economy and brought Kremlin leaders back to the bargaining table. The package of measures signed earlier this month to implement the September 2014 Minsk Protocol mandated a ceasefire and the pullback of heavy weapons. We have called for full implementation of the Minsk documents, including the withdrawal of all foreign equipment and troops from Eastern Ukraine, the full restoration of Ukrainian control of the international border, and the release of all hostages. To date, neither Russia nor the forces it is supporting have come close to complying with their commitments. If that failure continues, there will be further consequences – consequences that would place added strains on Russia's weakened economy.

Meanwhile, the United States is backing Ukraine's economic reforms through a \$1 billion loan guarantee (and the possibility of another if reforms continue) and support for a \$17.5 billion financial package from the IMF. Although the situation in eastern Ukraine remains very difficult, we are working to help the country emerge from this crisis united, and with the chance to decide its own future in a Europe where NATO is reinvigorated and leaders in the Kremlin are judged solely by their actions, not their words.

UNCLASSIFIED

- 7 -

Madam Chairwoman, President Obama has made it clear that Iran will not obtain a nuclear weapon. Since late 2013, we have been testing whether that goal can be achieved through determined multilateral diplomacy. The so-called P5+1 talks have made considerable progress but have not yet reached a satisfactory consensus on all critical questions. During our deliberations, for the first time in a decade, we've halted the progress of Tehran's nuclear program and even rolled it back in key respects. We will know soon whether we will be able to reach a verifiable and comprehensive plan to ensure that Iran's nuclear program is wholly peaceful. We will continue to consult closely with you as our efforts progress. Although I cannot predict the outcome, I do believe that an agreement of the type we seek would advance America's interests and that of our allies in the Middle East, strengthen the global nonproliferation regime, and serve the cause of international stability and peace.

In our own hemisphere, we are requesting \$1 billion to help our friends in Central America make the difficult reforms required to address the region's interlocking security, governance and economic problems. In recent years, the combination of limited educational and employment opportunities, epic levels of violence, a lack of sufficient investment, and corruption have held these countries back while also spurring attempts at illegal migration to the United States. An estimated six million young Central Americans will enter the work force in the next decade. If opportunity isn't there, our entire hemisphere will feel the consequences.

Last December, President Obama announced a change in U.S. policy to increase communications, commerce, and travel between our country and Cuba and to initiate the process – supported by this budget – of normalizing diplomatic relations with Havana for the first time since 1961. In January, Assistant Secretary of State Roberta Jacobson went to the island for a first round of meetings with government officials and representatives of independent civil society. She conveyed the message – reinforced before and since by many Members of Congress – that America's support for democratic reforms, human rights, Internet freedom, and the release of political prisoners is absolutely firm. We believe very strongly that the time is right to deprive Cuban authorities of their longstanding crutch – so that they can no longer blame U.S. policy rather than their own failures for the hardships faced by the brave people of Cuba.

UNCLASSIFIED

- 8 -

This budget also supports the President's rebalance to the dynamic region of East Asia and the Pacific. Based on President Obama's strategic commitment, we have modernized our alliances with Japan and South Korea, strengthened our partnerships with other regional powers, and supported democratic progress and respect for human rights in Thailand and Burma. A key element of our policy has been to build a comprehensive relationship with China that supports its rise in a manner compatible with international law and respectful of the concerns and rights of its neighbors. The United States remains committed to the peaceful denuclearization of the Korean Peninsula and will continue – in close consultation with our allies – to bring pressure to bear on North Korea in support of that goal.

Last August, President Obama hosted a summit attended by some 50 African leaders, during which we discussed plans for future cooperation and progress. U.S. policy toward the region reflects the continent's diversity and includes the promotion of investment and trade, energy access, youth leadership, and the economic participation of women.

Madam Chairwoman, American leadership has also been evident in the fight to halt the deadly spread of Ebola – and it was a team effort. The State Department, the U.S. military, USAID, the Department of Health and Human Services (including the Centers for Disease Control and Prevention, and the National Institutes of Health, and the U.S. Public Health Service Commissioned Corps), state and city governments, civil society, citizen volunteers, and Members of Congress all contributed. Together, we worked with international partners and with the brave communities and caregivers of West Africa to confront and contain this virus. The struggle won't be over until new infections are reduced to zero. But consider that five months ago, experts predicted that the number of active cases in West Africa would be 1.4 million. The actual level is less than two percent of that number. This is still a terrible human tragedy – but it is also an impressive demonstration of what international partnerships can accomplish. We have committed over the next three years to build on these partnerships, through the Global Health Security Agenda, to strengthen health systems in these vulnerable countries to prevent a tragedy of this scale from happening again.

UNCLASSIFIED

- 9 -

We also serve our interests when we exercise leadership within the UN and other international organizations. The United States isn't everywhere and we shouldn't be everywhere, and so it's a great help to us when the UN is able to contribute to international security and stability through its peacekeeping and political missions, conflict-resolution, development, and humanitarian activities. As we continue to press for reforms within the UN system, it is essential that we meet our own obligations to pay our bills in full and on time. We demand that of others; we should be consistent in meeting that standard ourselves.

These are just some of the issues that we're focused on each and every day. But they're not the only ones. Programs to support democratic governance contribute to the development of societies that are peaceful, more prosperous and stable, and better partners for the United States. As more people around the world stand up for their fundamental freedoms, demands for U.S. support grow. Unfortunately, this has coincided with declining funding in recent years. This year, to meet the growing needs and advance our interests, the President has requested over \$2 billion, a significant increase in democracy and governance funding.

Our military training and education enhances our security relationships while exposing students from friendly nations to U.S. values and respect for internationally-recognized human rights. Training foreign law enforcement and counterterrorism officials in American investigative techniques increases their capability and our security. Implementing stricter export controls, training weapons inspectors, improving global nuclear, biological and chemical security, and securing our borders allows us to guard against the most pernicious of threats: the possibility that terrorists might one day attack our homeland or our allies with a weapon of mass destruction.

Our global presence does something else: it creates jobs. Through our contributions to international financial institutions like the World Bank, we don't just lift the economies of low-income countries; we open markets for American businesses. Foreign policy is economic policy, and so the State Department is fully geared toward helping American entrepreneurs to build prosperity at home and across the globe. To that end, we're pursuing ambitious, 21st century trade agreements such as the Transatlantic Trade and Investment Partnership and the

UNCLASSIFIED

- 10 -

Trans-Pacific Partnership that will establish landmark labor and environmental standards and help our manufacturers, farmers, ranchers, and service providers to increase what they are able to sell abroad.

We're also leading on the environment, on the oceans and marine sanctuaries, and in addressing the potentially devastating consequences of climate change. In November, the leaders of the United States and China, the world's two largest emitters of greenhouse gases, came together to announce ambitious targets to limit carbon emissions in the post-2020 period. Our budget and our diplomacy are focused on helping nations to grow in sustainable ways, and to mobilize countries everywhere to achieve a truly meaningful agreement on climate change in Paris this December. And here I want to stress the connection between climate change and other goals. For example, our investments to protect global food and water supplies are critical. But none of those efforts will succeed over time if we don't also concern ourselves with what we put in the air; food security simply will not happen if we fail to curb the harmful effects of climate change.

All this speaks to why our budget proposals aren't just a collection of numbers – they're the embodiment of our values and priorities. After serving in public life for over three decades, I am aware that there are few more reliable – or damaging – applause lines than promising to slash the budgets of the State Department and USAID. President Reagan once lamented that, "Foreign aid suffers from a lack of domestic constituency." And it's true that, in Washington, long-term goals can often lose out to more visible short-term projects. But that's exactly why we need your help – to take the long view and to recognize how the relatively modest investments we make now can improve the world and enhance our own security for generations to come.

As we have learned through history, the success or failure of America's international leadership is not only relevant; it will be a determining factor in the quality of the lives of our citizens. Foreign policy can help our workers to find a job or lose one; it can start a war or forge a peace; it can safeguard our families or expose them to grave risk; it can enable us to look forward with confidence or it can place a shadow over the future in which our children and their children will grow up.

UNCLASSIFIED

- 11 -

Madam Chairwoman and members of the committee, even though the globe seems at times to be awash in difficulties, the truth is that many international vital signs today are positive. Worldwide, extreme poverty is down and so is child mortality. More babies are being born healthy; more boys – and girls – are attending and staying in school; and with U.S. contributions leading the way, we are making welcome progress in protecting the vulnerable from HIV/AIDS and other infectious disease.

Meanwhile, each day in diplomatic outposts across the globe, America's representatives make known the high value our people place on democratic institutions, human rights, religious liberty, and the freedoms of speech and press.

So make no mistake, America is leading – with partners when possible, but alone when necessary. Leading against terror and proliferation. Leading in support of embattled friends from Ukraine and Afghanistan to Central America and Somalia. Leading to promote peace in the Middle East and Africa. Leading to create jobs domestically and protect the environment globally. Leading against the axis of suffering – hunger, ignorance, and disease. Leading to build a more free, just, and humane world. We are leading as one country, including the administration, Congress, our armed forces, our businesspeople, our citizen activists, and our volunteers.

Scanning the horizon, we are under no illusions about how difficult the demands of leadership are. Like Secretary Acheson, we have had our share of headaches. Setbacks along the way are inevitable. Engagement on all fronts will be required. But we draw strength from our democratic ideals, inspiration from the example of our predecessors, and courage from the conviction that the values guiding us are the right ones. In an era of uncertainty, one thing remains sure: America will continue to answer the call.

Thank you and now I would be pleased to respond to any questions you might have.

John Kerry

**Secretary of State**

Term of Appointment: 02/01/2013 to present

On February 1, 2013, John Forbes Kerry was sworn in as the 68th Secretary of State of the United States, becoming the first sitting Senate Foreign Relations Committee Chairman to become Secretary in over a century.

Secretary Kerry joined the State Department after 28 years in the United States Senate, the last four as Chairman of the Senate Foreign Relations Committee.

Secretary Kerry was born on December 11, 1943, at Fitzsimons Army Hospital in Aurora, Colorado, one of four children of the late Rosemary Forbes Kerry and Richard Kerry, a Foreign Service Officer.

Shortly before he graduated from Yale University, Secretary Kerry enlisted to serve in the United States Navy, and went on to serve two tours of duty. He served in combat as a Swift Boat skipper patrolling the rivers of the Mekong Delta, returning home from Vietnam with a Silver Star, a Bronze Star with Combat V, and three Purple Hearts.

Back in the United States, Secretary Kerry began to forcefully speak out against the Vietnam War. Testifying at the invitation of Chairman J. William Fulbright before the Senate Foreign Relations Committee, he asked the poignant question, "How do you ask a man to be the last man to die for a mistake?" He also began a lifelong fight for his fellow veterans as a co-founder of the Vietnam Veterans of America, and later as a United States Senator who fought to secure veterans' benefits, extension of the G.I. Bill for Higher Education, and improved treatment for PTSD (post-traumatic stress disorder).

In 1976, Secretary Kerry received his law degree from Boston College Law School and went to work as a top prosecutor in Middlesex County, Massachusetts, where

he took on organized crime, fought for victims' rights, and created programs for rape counseling. He was elected Lieutenant Governor of Massachusetts in 1982, and 2 years later, he was elected to the United States Senate where he served for 28 years.

In 2009, Secretary Kerry became Chairman of the Senate Foreign Relations Committee, assuming a leadership role on key foreign policy and national security issues facing the United States, including Afghanistan and Pakistan, nuclear nonproliferation, and global climate change. His service as Chairman built on his previous Senate work that included helping to expose the Iran-Contra scandal and leadership on global AIDS.

As Chairman of the Senate Select Committee on POW/MIA Affairs, he worked to learn the truth about American soldiers missing in Vietnam and to normalize relations with that country.

In 2010, as Chairman of the Foreign Relations Committee, Secretary Kerry was instrumental in the ratification of the New START (Strategic Arms Reduction Treaty) Treaty, a vital nuclear arms reduction agreement with Russia that helps steer both countries away from dangerous nuclear confrontations.

In his 28 years on the Senate Foreign Relations Committee, Secretary Kerry chaired the Asia and Middle East subcommittees where he authored and passed major legislation on international drug trafficking, international money laundering, humanitarian aid, and climate change, and he helped negotiate the UN's genocide tribunal to prosecute war crimes in Cambodia.

He also held senior positions on the Finance, Commerce, and Small Business committees, as well as served as a member of the bipartisan Joint Committee on Deficit Reduction, where he worked across party lines to try and reduce the country's debt and strengthen our economy. Prior to his departure from the Senate, Secretary Kerry was the seventh-most senior Senator.

Secretary Kerry was the Democratic Party's nominee for President of the United States in 2004.

Secretary Kerry is the author of best-selling books, including *A Call to Service: My Vision for a Better America* and *This Moment on Earth*, a book on the environment which he co-authored with his wife, Teresa Heinz Kerry. Together they are proud of a blended family that includes two daughters, three sons, and three grandchildren.

Ms. GRANGER. Thank you.

I will start with this question. The administration wants countries in the Middle East to step up and play a greater role in the fight against ISIL, as we do. But as Jordan and Egypt and the Kurds are taking on a significant role, and are often successful, they are not getting the assistance they need.

The White House claims that there are robust security relationships with these countries, but I would argue the U.S. is risking our long-term strategic alliances. The Kurds and the Jordanians are very frustrated with the amount of time it takes to get military aid to them. I know you know that because they have argued that with you, and they have certainly called me.

And the President's policy on Egypt continues to hold equipment such as the F-16s that are paid for and are clearly needed in the fight against ISIL and other terrorists in the region. I wanted to ask you, why is the administration continuing to withhold equipment for Egypt that would help them combat ISIL and other threats?

Secretary KERRY. Well, we are pushing very hard. In fact, that is a decision that I think is on the President's desk anytime now.

We are tied, as you know, by Congress to a certification process that I have to exercise, and I can certify or I can waive and make a decision what to move. But we have broken certain things out.

One of the things we were waiting for, frankly, Madam Chair, was the announcement of the parliamentary elections. Now, we finally got that announcement. There were a number of people in prison. There has been some harassment of Embassy employees. There have been some other—as you saw, Abd el-Fattah was just sentenced to 5 years for taking part in a protest. And, you know, these are things that matter to us, obviously—the Al Jazeera journalists who are imprisoned, the NGOs who were required to be listed.

So we have been talking as reasonably and as frequently as possible with our friends in Egypt. I have a very good working relationship with the Foreign Minister, Sameh Shoukry. I have had several meetings with President el-Sisi. I am very grateful to President el-Sisi for his significant cooperation with respect to a number of security issues.

And we want to get them these additional items. And I suspect, Madam Chair, that decisions will be made shortly to try to come to cloture on the, sort of, final choices of how we move on that.

So Egypt has presented one set of challenges. One thing I want to make clear: I believe Egypt is helping enormously with respect to counterterrorism. Egypt is doing a huge amount in the Sinai. Egypt has been helpful with respect to Gaza. And Egypt has been essential with respect to some elements of the peace process, Israel and Palestine. Egypt is could cooperating very significantly with Israel, and there is great intelligence cooperation and so forth.

So, by and large, I believe it is important for us to provide some of these items, and I believe decisions will be forthcoming that will set out how we may in fact proceed forward to do that.

On Jordan, I think you know this; we have had many conversations about it, Madam. I am frustrated, as you are frustrated. And they have been a little frustrated, and I understand that.

Before I received your letter, I met several weeks ago with Foreign Minister Nasser Judeh, whom you all know well, and we signed a memorandum in which we agreed to put \$1 billion a year for the next 3 years into the relationship with Jordan. This is before we received the letter from you.

In addition, before I had received the letter from you, I had already initiated a review based on my conversations with Foreign Minister Judeh to find out exactly what item was on request, exactly where it was in the chain of delivery, and why it might have been delayed.

And I have already—I think just about the time I got your letter, I received the answer to all of those questions, and I now have a breakdown of all of those items—tier-one priorities, tier two, tier three.

And so the tier-one items are now mostly on the way or in possession. F-16 spare parts, for instance, pilot survival, night vision, et cetera, are happening. The UH-60 Black Hawks we are trying to figure out. We will shortly notify you with respect to some formal procedures on that.

So I could run through the long list with you. I think it is better, probably, to do that in a classified forum. But I can just tell you that we are on top of this and moving, and these items need to get there as rapidly as possible.

Ms. GRANGER. We talked about this last year at the hearing, and I remember last year you were talking about these needed reforms and arrests of journalists and progress on, say, parliamentary elections. And those things have been done, literally——

Secretary KERRY. Some. Some.

Ms. GRANGER. Some.

Secretary KERRY. I think two——

Ms. GRANGER. Not all.

Secretary KERRY [continuing]. Two people were released. But for every person that gets released, regrettably there have also been announcements of life imprisonments for one thing or another.

Look, we are beginning to understand much better the restraints that President el-Sisi operates under. And there are some. And I think we are beginning to understand, also, some of the difficulties of independent judiciary and independent efforts that reflect on how the process is working there.

What is important is Egypt is committed as a major partner in counterterrorism. And Egypt is critical, its viability is critical to long-term stability of the region. I think the United States needs to reflect that, and the President does in our policy. And I think we are seeing that happen in what is unfolding now.

Ms. GRANGER. You may see it happening. I certainly don't.

And you know we have had numerous conversations. The staff has asked questions about this. The situation with the Kurds has gone on for months and months and months. And every time we ask, we hear, we are making some progress.

Secretary KERRY. Well——

Ms. GRANGER. The Egyptians came back to me and said, we don't know what you want, we have no idea. Because we have urged them to play a part, and they certainly are. The King of Jordan, for goodness' sake, has put on his uniform and is flying the planes.

So I think that the slowness of the process is simply very, very disturbing. And I would like from you a weekly status on this very immediate threat. It gets worse and worse. And everyone that we hear talk, the generals that come and say, we can stop it now, but at some point we can't stop it.

Secretary KERRY. Well, Madam Chair, let me just say to you respectfully on this issue of the Kurds—because I have heard this for a while, and I think it is a little out of proportion, if I can say so.

We have provided more than 34 million rounds of light and heavy ammunition to the Kurds, 15,000 hand grenades, 45,000 mortars, 50,000 RPG cartridges, and 18,000 rifles. Thousands more rounds of ammunition and weapons have been identified for donation and are being prepared for delivery now. This is in addition to more than 300 tons of arms and ammunition that the Government of Iraq provided and delivered directly to the Kurds.

We have also provided 25 MRAPs to our Kurdish partners. Hundreds of airstrikes have hit ISIL elements in Mosul and the Sinjar Mountain and other areas of Northern Iraq, which has provided relief to the Kurdish forces. We have established a joint operations center in Erbil that has facilitated unprecedented cooperation with the KRG.

We worked to get—I personally was on the telephone with President Barzani and others to work to create a corridor which helped the Kurds to be able to get into Kobane and help provide relief there and ultimately help win the victory of Kobane.

We have provided \$208 million in humanitarian support to deal with displaced Kurds. That is an estimated 850,000 people in the Kurdistan area. We have provided 110 tons of humanitarian supplies to them. We have provided extensive diplomatic engagement with—

Ms. GRANGER. I am going to stop you.

Secretary KERRY. Yeah, but I am just—

Ms. GRANGER. I know what you are going to say, and I know what you are saying. You know my position. I think you know the position of Members of the Congress. And so we will continue this as we go on, but I certainly want to have other people have the opportunity to ask questions.

Mrs. Lowey.

Mrs. LOWEY. Thank you very much.

As you know, many of us have had many, many briefings on Iran, many of which are in a classified setting. So, obviously, the questions that I am going to ask do not include some items that have been discussed in a classified setting.

But we know that the United States is at a crossroads with Iran. The overall package must ensure we have closed all pathways to a bomb. You have said repeatedly that no deal is better than a bad deal.

I just want to make a couple of points, and then ask you to respond.

Can you assure us that a good deal includes the following: dismantling Iran's centrifuge infrastructure; dismantling its heavy-water facility at Arak and closing all covert options; containing strict verification—

Secretary KERRY. I am sorry. What was the second?

Mrs. LOWEY. The second one, dismantling its heavy-water facility at Arak and closing all covert options; containing strict verification and fully detailing the possible military dimensions of its programs; allowing full and unfettered access to any facility, including Parchin, Fordow, Natanz, and other facilities, military or otherwise; have phased-in sanctions relief to ensure compliance; and, last, no less than 15 years in duration.

It has been reported that the Supreme Leader has said, and I quote, "I would go along with any agreement that could be made. Of course, if it is not a bad deal." This is, of course, the same Supreme Leader who repeatedly refers to Israel as the, quote, "barbaric Jewish state" that, quote, "has no cure but to be annihilated."

Many experts with whom I have spoken don't think that Khomeini is really capable of making a deal, but I know how hard and how focused you are in trying to make a good deal. And, again, you have said that no deal is better than a bad deal.

Do you really see any evidence that the regime is seriously interested in giving up its nuclear program and working with the international community?

You have indicated this is the last phase of negotiations and that the administration would not support another extension. You have just returned from Geneva. Is this still your assessment?

You have already stated that a good deal provides us at least 1 year to respond should Iran renege on the deal and break out. I still don't understand how we arrived at 1 year. Why is 1 year enough insurance for us, for Israel, for the region?

I know how hard you have been working on this issue. I, again, respect your commitment, your thoughtfulness. But if you could answer these questions, I would be most appreciative.

Secretary KERRY. I will try to answer as many as I can as fast as I can, Congresswoman Lowey.

Let me go to the end. That is probably a good place to begin, which is this question of breakout in 1 year and do we know it is enough and why do we know it is enough and so forth.

Let me make clear what "breakout" is in the context that we are talking about. And I want to make clear, also, when we talk about 1 year, we are talking about 1 year for a period of time that we believe sufficient to build the confidence about our access and about the workings of the program and to understand that there isn't a covert track.

But "breakout" in the way that many of us thought of it when I was here in the Senate in the 1980s, late 1980s and 1990s—we were debating still the Soviet Union in the 1980s with Ronald Reagan and certain missile systems and so forth—"breakout" meant your ability to go with nuclear weapons, that you broke out and, man, you had a nuclear weapon right away and you would go do something. That is not what we are talking about here.

What we are talking about here is—"breakout," as we apply it to the 1 year we are looking for for this period of time, is the time it takes from when they decide from their constrained and restricted and verified level of enrichment, if they were to kick everybody out and say, we are going at it now, and it is just obvious they are going at it, that would be a breach the moment they did it. You

don't need 6 months. The minute they kick you out, you know they are in breach. So if you have a year, you have a lot of leeway.

But that is a timeframe from when they make the decision to not comply to try to get a rush to enough fissile material for one potential weapon. Remember, enough fissile material for one potential weapon, 1 year. That is not having a weapon. That could be years away from having a deliverable weapon or a tested weapon or a weapon that you have to be concerned about.

So if you have a year from the time in which one of your inspectors discovers they are not complying or a year from the time that one of your intrusive cameras or visits or visible inspections of the mining or their uranium or their production or their centrifuges shows you something is up, you can slap sanctions right back on and worse. Or, of course, you always have all the options we have that exist today. We are not giving up one option.

When you say to me, do I know that 1 year is sufficient insurance with respect to the ability to regulate, you better believe it. And do you know what? You know what we have today? You know what Israel has today? Two to 3 months. And the reason it may be 3 or 4 months right now is because of what we put in place with the interim agreement.

Now, remember, Prime Minister Netanyahu thought the interim agreement—quote: “deal of a century for Iran.” He thought it was the worst thing that ever happened. And some people in the Congress echoed that when I came up here to talk about the interim agreement.

Well, guess what? Every aspect of the interim agreement has been complied with. The then-20-percent-enriched uranium that threatened Israel is now gone, reduced to zero. The Fordow that then we didn't know what was going on in it that threatened Israel is now inspected on a daily basis. Arak that then threatened it as a potential producer of plutonium and a track for weapons production has been stopped dead in its tracks, and they have not been able to further any commissioning of Arak. That makes Israel safer.

I mean, it defies imagination to make the argument that, if Israel was threatened with a 2-month breakout period and they are now at more months and we are trying to get a year, that they are not safer.

Now, that is just the beginning of the many pieces of this agreement. And I am not going to go into all of the agreement right now, because we don't have an agreement. We may not get an agreement. They may not be willing to do some of the things that you listed that you think are the ingredients of a good agreement. And I am not going to sit here, in fairness, Madam Ranking Member, and go through each of those items because I am not going to negotiate here. I want to negotiate with them and see where we are.

But of course we have to have a resolution of Parchin and a resolution of Arak so it can't produce plutonium on a bomb path and a resolution of Fordow so it is not a secret, hidden enrichment facility and so forth. And those are the things that we are arguing about right now.

Now, the point I would make to everybody is, in the year 2000s, 2003, under the Bush administration, they had a policy of no en-

richment. It was American policy. There were 164 centrifuges then spinning—2003, 2004, 2005, 2006, 2007, 2008—all during the Bush administration. Nothing stopped. What happened? They kept building. Now they are at 19,000 that could function. There are not that many functioning.

And so, obviously, we pursued a policy for a period of time under a very tough administration that didn't hesitate to use its muscles when it wanted to, didn't use its muscles on that, and the fact is we wind up where we are today. Iran knows how to make fuel. They know how to do this.

So we have to decide, how do we get the best shot at being able to constrain from the production of a nuclear weapon over the course of the future years? Now, that is what we are trying to do, and we are trying to close off each pathway to the bomb—through Natanz, through Fordow, through Arak, and covert. And the test of that will be in the days ahead.

Mrs. LOWEY. I just want to thank you very much. And, obviously, we could have a longer discussion, but I guess we have votes right now.

Secretary KERRY. Well, we are going to have a longer discussion, I have no doubt about that, if we get an agreement. And if we don't, we will have a longer discussion about the things we are going to need to do as a result.

Ms. GRANGER. Mr. Chairman.

Mrs. LOWEY. Thank you.

Mr. ROGERS. Thank you, Madam Chairman.

Mr. Secretary, let me talk about Iran.

A New York Times article last Thursday cited a recent report by the International Atomic Energy Agency that Iran was still refusing to answer longstanding questions about suspected work on weapons designs.

As you say, there is a very short time remaining for conclusion for that framework agreement. And their continued refusal to provide IAEA with answers about past nuclear weapons work, that is troubling. Because if they refuse to answer, how can we be sure that whatever is agreed upon they will live by and abide by?

Secretary KERRY. Well, there are a bunch of questions the IAEA has asked that are going to have to be answered, and we have made that very clear. The IAEA is going to have to get answers to questions.

What is more critical than answering, than having some confession of, oh, yeah, we were doing this back then, is getting the ability to know what they are doing now with clarity and going forward so that you can prevent any development whatsoever.

We presume, I mean, we all have pretty good information, we are in a nonclassified venue here, but I think I can safely say that we have made our presumptions based on the information we have about what they were doing. So we are certainly proceeding with eyes open that it is our belief they had a weapons track, and we understand that we need to respond accordingly in whatever it is that we do here.

Mr. ROGERS. Well, I mean, how can we trust Iran, given the lack of compliance with past agreements with IAEA? Your own deputy secretary, Tony Blinken, has testified before the Senate that during

the Joint Plan of Action, there were situations that, quote, "We believe there were violations of the JPOA," end quote. How can we trust them given that?

Secretary KERRY. Well, there have been no violations of JPOA. I am not sure what he is referring to. There may have been a place or two we had a question, but they were answered. We raised one issue. There was one centrifuge which was being fed at one point in time which we learned of, and we learned of it because of the verification that we had, which, by the way, is far less comprehensive than the verification we want to get ultimately.

But we did learn of it, which is an indication that there was transparency and that we had accountability. And the moment we mentioned it, it was really based on a misunderstanding of what was current. Under the JPOA, under the interim agreement they are allowed to pursue the current level of what they are at. This, we argued, was new, and we won the argument, and they stopped, and that was the end of it.

But, look, a fundamental basis of your question, Mr. Chairman, you said, how can we trust them? This agreement is not based on trust. No arms control agreement is based on trust. Remember, Ronald Reagan's famous "trust but verify." That is a euphemism for make sure you are able to know what is happening. And that is the guideline of this negotiation. It is not based on trust.

You may be able to build some trust. The last year of compliance has, frankly, helped people to have a sense of seriousness of purpose here and intent. The fact that they did destroy their 20 percent uranium stockpile. The fact that they have provided access. The fact that they did stop work on Iraq. I mean, all of these things begin to build a little bit of confidence that this is serious.

But we have to build a structure here that gives us great confidence going out into the future that we will know what they are doing so it isn't relying on anybody's word or on any level of trust.

Mr. ROGERS. A lot depends on what happens, obviously. So we wish you the best.

I yield.

Secretary KERRY. A lot does depend on it. I agree with you.

Ms. GRANGER. Short question.

Mr. RUPPERSBERGER. Let me try and make it short.

Ms. GRANGER. Thank you.

Mr. RUPPERSBERGER. Getting back to what Chairwoman Granger was talking about and the issue of Egypt and Jordan and our relationship with them. We know Egypt, as an example, 82 million people, we know there are human rights concerns. We also know the United States of America has the best country in the world and a democracy that works, and we want to make sure that we deal with issues of human rights in the countries that are our allies. But Egypt is very critical to the Middle East. They are critical to Israel. They are critical to a lot of our goals and agendas.

I just want to ask this question. We want to export our democracy, but we are going into countries that have thousands of years of traditions. And yet it seems that if they aren't exactly following our model, that we are slow to be involved.

So my question would be, we want to support democratic issues in these countries, but what lessons have we learned, based on

what has happened in Egypt especially, by our democracy efforts. In fact, you had the Muslim Brotherhood taking control and the country was almost falling apart. And yet Egypt was trying to take control of their country with all the issues that they were dealing with as far as unrest and terrorism.

Should we act more deftly with those countries, based on their traditions, while trying to influence them with our traditions, and hold back giving them the resources they need to take on ISIS or a terrorism situation?

Secretary KERRY. Well, I personally don't believe so, Congressman. I think that we have to be very, very careful and very thoughtful about each country's ability to transition and measure our expectations in a very thoughtful way. We should not be automatic and sort of simplistic about that endeavor. We certainly shouldn't stereotype and fit everybody into the same box because every place is different. And the lessons certainly that I have learned in the last 10 or 15 years are that we really need to think very, very carefully about what kind of political space, what capacity there is for the embrace of our vision and at what pace.

We sometimes come crashing in with a sense that we can sort of hold out X amount of aid and say, you have got to do this and this in order to do it. And they kind of look at us nowadays increasingly in many countries and scratch their heads and ask a lot more questions than they used to and are not quite as impressed by the level of our leverage because, frankly, it is significantly diminished, if you want to know the truth.

The Emiratis and Saudis are putting 20 billion bucks a year into Egypt, and we are putting a \$1.3 billion or whatever it is, \$1.6 billion. And so they look at it and they say, well, do we have to put up with all these headaches since we have got these other folks we could turn to and we will get some help there?

President Putin just paid a very visible, well-received visit to Egypt, and there was an exchange, an agreement for some very significant purchase of weapons and so forth. They would prefer to buy them and have the relationship with America, but they feel like we are sometimes asking more than the market will bear at the rate at which we are looking to them to——

Mr. RUPPERSBERGER. We need to evaluate that policy. And Sisi said a very positive thing, which I think is important in the Muslim world. He stood up to his mullahs and said that you have to stop this type of radical jihad. That is a good message that we hope the Islamic community will send to the small 1 percent of terrorists that are trying to take the world over.

Secretary KERRY. Well, I encouraged them strongly with respect to a number of people they needed to release. They released them. I encouraged them to rapidly move to set the date for the election. They set the date publicly for the election. We encouraged them to do a number of other things. I won't go into all of them here. But to the best of our awareness, they worked hard to try to do those things. They got some done and couldn't get others done, but we know they made a bona fide effort on some of them and ran into various roadblocks.

Ms. GRANGER. Thank you. I am going to recess the hearing for members to vote. If you will return as quickly as possible.

Mr. RUPPERSBERGER. We are going to come back?

Ms. GRANGER. We are going to come back. The hearing is now in recess.

[Recess.]

Ms. GRANGER. The hearing will now come to order. I will now turn to Mr. Dent for his questions.

Mr. DENT. Thank you, Madam Chair.

And good afternoon, Mr. Secretary. Good to be with you.

First, I wanted to commend you for your good effort in Afghanistan with respect to the presidential election where you helped mediate the aftermath, and successfully, I might add. And so I want to thank you for your leadership there. And I agree with what you just said moments ago on TPP and TTIP, about how essential those agreements are to setting standards and advancing our interests globally.

On the issue of Ukraine, however, I wanted to raise a real concern that I have. This very recent cease-fire agreement facilitated by the Germans and the French seemed very desperate and feckless, to be quite honest. I believe the West has been humiliated. As much as I admire the Germans and the French, they have taken the idea of arming the Ukrainian Government off the table. Putin knows that. These cease-fires will last as long as Vladimir Putin wants them to last, and that has been the case.

It seems that we, the U.S., have outsourced the negotiations to our friends, and the results have not been very good, and I am deeply concerned about that. I think there needs to be greater leadership. The West has been humiliated. And at some point, I believe we are going to have to provide some kind of lethal defensive weapons to the Ukrainian Government, antitank weapons, antiartillery. And I would like to hear your perspective on that because I just feel that this recent cease-fire has been really a major setback for all of us.

And I do appreciate your leadership on the sanctions regime, and I know our European friends always haven't been as accommodating. So I appreciate hearing your comments.

Secretary KERRY. Thank you, Congressman. I appreciate that very, very much.

In fairness, I think that Chancellor Merkel has actually been leading very forcefully in this and working very, very hard to make sanctions happen at times where others in Europe were not quite as prepared to hold the line, take the measures. So I think that Germany's leadership, France's engagement with Germany and leadership has been important.

I think it was important for them to try to see whether or not they could make Minsk meaningful. And they, themselves, took the position that if Putin didn't adhere to it and was not prepared to take the steps of the Minsk, that then there is plan B.

So plan B is really tougher sanctions and additional support to Ukraine. And I think I would not count everybody out in terms of whether or not, as a result of what has happened, they are automatically against the provision of some defensive assistance to Ukrainians. But there is not yet clarity to the breach, the total breach with respect to the Minsk effort. The prisoners were exchanged the other day. Some weapons have pulled back. Some bat-

talions are now assembled on the border, not inside. So it is a little unclear, and I think they and we are waiting to see how this unfolds in the next days and hours.

I talked at lunchtime yesterday with the Foreign Minister of Germany, who had just come out of the meeting with the French, the Ukrainians, and the Russians. And it was his sense that they had sort of mapped out a few potential steps over the next few days.

So we are getting to that critical decision time, Congressman. The President has a number of options that he is asking his team to evaluate, and he will make the appropriate decision, together with discussions with Chancellor Merkel. In fact, he may well have talked to Chancellor Merkel today or yesterday.

Mr. DENT. Can I also just quickly add, speaking of Germany, we have Congress-Bundestag Youth Exchange Program. I am very involved with the German-American Caucus and study group on Germany, and we have serious concerns about the State Department's decision to reduce by half the funding for the Congress-Bundestag Youth Exchange Program. This program is essentially maintaining a strong relationship between our two countries.

Secretary KERRY. Right.

Mr. DENT. Chancellor Merkel, I know, raised the issue of this cut when she visited the U.S. Can you give us the rationale why the State Department has gone against clear, I thought, congressional intent and unilaterally moved funding away from the Bundestag exchange program?

Secretary KERRY. Well, it is still going to remain the largest exchange program between the United States and any country in the world. The academic year last year had about 710 total participants, 350 Americans, 360 Germans. And the funding has been a pretty level \$4 million.

The reduction, in our judgment, would allow us to meet some other high priority demands for exchanges that we are having to support. One is like Ukraine, for instance. We are trying to get Ukrainians to be part of it. We are trying to bolster our networks in the entire periphery around that region. So whether it is Georgia, Moldova, or the Baltics, other countries, we want them to be able to participate. So it is really trying to allocate according to priority and available resources.

Now, if you want to help us and plus it up a little bit, there is nothing we would like more than to keep it at the same level. But this is where I am talking about robbing Peter to pay Paul. All those are virtuous and important efforts, and I think you can see that.

If you can get some students out of each of those other places and it makes a difference in the long-term capacity building of those countries and their outlooks, that is spreading the wealth a little more. And as I say, the German program will still remain the largest program we have.

Mr. DENT. Thank you.

Yield back.

Ms. GRANGER. Thank you. Mr. Serrano; I am sorry. I am wrong.

Ms. Wasserman Schultz. I apologize.

Ms. WASSERMAN SCHULTZ. Thank you, Madam Chair.

Mr. Secretary, it is good to see you. And I want to shift gears a little bit. I know that the line of questioning has focused mostly on the Middle East and Iran, but the subcommittee obviously has other focal points, including food aid and disaster relief. And so I wanted to just touch on where we are in our progress with reform. In recent years we have seen increased momentum to push for reform of our international food aid programs and make them more effective and more efficient and save more lives in less time. And so while obviously the focal point is being more fiscally responsible, I mean, hopefully our goal is also to make sure that we can end hunger and provide nutrition to more people. At the same time, obviously, that helps our own local farmers and agriculture and production.

The President's budget request included several reform measures that allow for increased flexibility within those programs and increased funding for local and regional purchase of food aid, and that has bipartisan support. But my question is, do you believe that the reforms that have been proposed, the increased flexibility for the type of and delivery of aid, are those essential for responding to the crises that we are facing today, the ones that we might encounter in the future, and really enable us to effectively respond to food insecurity, and at the same time moving towards resilience and self-reliance?

Secretary KERRY. We hope so, Congresswoman. I mean, that was the purpose of these reforms, as you know. The effort is to try to be able to deliver more faster with greater local buy-in. It increases our reach and it increases the cost savings.

Now, the proof will be in what happens. I mean, right now it can take from 4 to 6 months to buy and deliver U.S. products. And we know there was a certain upheaval here about this. But if you allow more cash-based activities, then USAID's food programs could become much faster, much more nimble, much more responsive, and it actually helps to build some capacity and infrastructure in the communities you are trying to create a sustainable cycle for. So we think it is the right direction to move in, and it allows us to reach 2 million more beneficiaries, about 25 percent increase.

Ms. WASSERMAN SCHULTZ. And just briefly because I don't have a lot of time left, and I am the ranking member on the Legislative Branch Subcommittee and have to go back to that hearing, what steps is the Administration taking to ensure that the Helms amendment is correctly applied and that U.S. foreign assistance that may be used for abortions in the case of rape, incest, and life endangerment and to make sure that preventing pregnancy in those cases is our primary goal?

Secretary KERRY. Well, I mean, we evaluate it in every single country and every program where we are. I am not aware that there has been a specific complaint that something is lacking or missing in that effort. Is there something specific that you are—

Ms. WASSERMAN SCHULTZ. There has been—not on the part of the Administration—an issue surrounding the misinterpretation of the Helms amendment that prohibits the use of funds for the performance of abortion as a method of family planning. That it has been incorrectly implemented, essentially to become a total ban on funding for abortion. And so that is a—I hate to use the term “nu-

ance"—but there is a difference between prohibiting abortion entirely and prohibiting its use as a method of family planning.

Secretary KERRY. I understand.

Ms. WASSERMAN SCHULTZ. And so that is the interpretation or misinterpretation I am concerned about, and I am wondering if that has been addressed.

Secretary KERRY. Well, let me do this. I haven't had that specific conversation, frankly. Let me investigate that. And, of course, I have a——

Ms. WASSERMAN SCHULTZ. By the way, it predates this Administration.

Secretary KERRY. I am not taking it personally actually. I remember this debate when I was up here. I just want to find out exactly, because I haven't been part of any conversation that has examined some shortfall in it. So let me find out where we are.

Ms. WASSERMAN SCHULTZ. Thank you.

Secretary KERRY. We will examine that.

Ms. WASSERMAN SCHULTZ. Thank you, Mr. Secretary.

Madam Chair, I yield back.

Secretary KERRY. Well, thank you. And thanks for coming. I know you are chairing something. I appreciate it. Thank you.

Ms. GRANGER. Mr. Diaz-Balart.

Mr. DIAZ-BALART. Thank you very much, Madam Chairwoman.

Mr. Secretary, let me bring you a little bit closer to home, to this hemisphere, Cuba. As you know, U.S. law states that if certain conditions are met by the Castro regime, the embargo in essence goes away. The President has been stating, he said in the State of the Union that he wants the embargo just to go away, and he wants Congress to lift the embargo without fulfilling those conditions that are in the law.

So which of those conditions does this administration oppose? Or which of those conditions does this administration believe that the Cuban people do not deserve? Because let me tell you what they are. They are the release of all political prisoners. They are the legalization of political parties, independent press, and independent labor unions, and free elections.

Those are the conditions in law. The administration has said that we don't need to meet those conditions, that Congress should get rid of the sanctions without those conditions. Which one of those conditions does this administration think are too much to ask or unfair or the Cuban people do not deserve?

Secretary KERRY. None. They deserve them. There is none that is unfair. We should ask for all of them. What this administration believes, however, is that the embargo has not produced them and will not produce them. In fact, it is the exact opposite. We believe that if you lift the embargo and engage more thoroughly with Cuba, you have a much higher rate of probability and a much faster set of transformations that can take place. I believe that very strongly, personally. I believed it when I was here in that Senate.

I think we have actually helped repression by shutting it down. It is much easier for regimes that are not held accountable, that don't interact with the world, that sort of are shut off to be repressive than places that have been opened up where there is engagement and countries are involved and families——

Mr. DIAZ-BALART. Let's talk about that, if I may, Mr. Secretary. As you know, I apologize for interrupting but we don't have a lot of time.

Secretary KERRY. Go ahead.

Mr. DIAZ-BALART. So as of the time of the President's December 17 announcement, there have been hundreds of political arrests, including more just this weekend, 200 last weekend, which include the arrests of over 80 Ladies in White, more than 90 from the Cuban Patriotic Union, including very well-known activists. By the way, at least 5 of the President's so-called 53 political prisoners that the President said is one of the things that he got out of this deal for the United States and for Cuba have been rearrested since then. And yet it seems that the administration is continuing to negotiate, even though the regime has not only continued their repression, has been escalating their repression, but even those that the President said were kind of the success story, that the Castro regime released, a number of them have been rearrested.

So, it would seem that the administration is looking forward to normalization at all costs, regardless of what the regime is doing. And is there anything that the Castro regime would do, could do, to stop this administration from normalizing? Which, as you know, normalizing relations with the United States for a terrorist regime, that is a pretty good gift. So what could they do, what should they do, what can they do that would stop the President and this administration from normalizing?

Secretary KERRY. Well, first of all, we don't know that they are currently engaging in international terrorism. That evaluation is being made.

Mr. DIAZ-BALART. Well, Mr. Secretary, there was a shipment of arms that went to North Korea that even the U.N. stated.

Secretary KERRY. Yes.

Mr. DIAZ-BALART. So, I mean, I am sure you are aware of that, Mr. Secretary.

Secretary KERRY. I am aware of that. But the standard by which you all wrote the law with respect to what has to be measured for international terrorism is whether or not they have engaged in acts of international terrorism in the last 6 months.

Mr. DIAZ-BALART. You are aware that the Colombian military confiscated arms recently that were in the hands of the FARC?

Secretary KERRY. Well, this is all being evaluated right now.

Mr. DIAZ-BALART. You are aware of that?

Secretary KERRY. I don't know who—

Mr. DIAZ-BALART. That would qualify as an act of terrorism.

Secretary KERRY. I don't know yet, I am not going to prequalify what is being appropriately judged with the input of all of our Intel Community. All the relevant agencies are asked to contribute to this. You will be well, obviously, advised and briefed with respect to what the conclusions are on it. And I don't know what they are yet because they are engaged in that endeavor. That is a prerequisite, obviously, for the ability to move forward.

But that said, let me just say to you that we are well aware of the Ladies in White and the challenges internally. Actually, I interpret that as sort of a reaction to, it is a manifestation of the fear that might come. But I think there is a much greater opportunity

to be able to hold them accountable and deal with that when you have the scrutiny that will come with additional transactions, commerce, presents, money in hands of people there, people traveling, open up standards that come with this. And there is a much greater ability.

I mean, that is how we have operated in many other countries. I mean, Richard Nixon opened up and normalized our relations with China. We still have huge disagreements with China. We normalized and opened up our relations with the Soviet Union. We had huge years during the Cold War where we were fighting them in a cold war. But we were able to do more as a consequence of that engagement. And ultimately, both changed. One disappeared, the Soviet Union, and the other has been increasingly partnering, opening up, engaging in different ways, even as we continue to have some problems.

So these things don't change overnight, and I don't expect that will, nor do you. The question is, are you better positioned to be able to fight for the things that matter to you? Can you leverage people's rights? Can you send an ambassador in to raise the profile on a particular human rights challenge? Can you do more to be able to do that?

We have not backed off of one of those priorities. And, in fact, when Roberta Jacobson, Assistant Secretary Jacobson was there, she met with civil society. They didn't like it, but she met with them.

And so we will continue to press our case, but we also think we are far more advantaged in doing so if we are having diplomatic relations and engaging and opening up so that a lot of folks from Florida, from New Jersey, from other places who have family there would be free to visit, bring ideas, bring their openness, bring their money and other things, which will change life in Cuba. I have no doubt about it.

Mr. DIAZ-BALART. And, Mr. Secretary, my time has clearly expired. I would not use China as a model to talk about when we talk about human rights. That is precisely what we do not. When you talk about the success of China, I will tell you that is not a success.

Secretary KERRY. Please, don't put words in my mouth. I didn't say—

Mr. DIAZ-BALART. You mentioned China. I did not, sir.

Secretary KERRY. I did. I mentioned China as a country with whom we have normalized diplomatic relations—

Mr. DIAZ-BALART. Yes, we do.

Secretary KERRY [continuing]. And huge differences, is what I said, huge differences, both on a political system, on human rights, on business practices, cyber. Run the list.

Mr. DIAZ-BALART. Yeah. And has that helped the human rights condition of the Chinese people?

Secretary KERRY. But we have diplomatic relations.

Mr. DIAZ-BALART. Has that helped the human rights condition of the Chinese people? That is a discussion for another time because my time is up. I would argue, Mr. Secretary, that it has not.

Thank you. I yield back.

Ms. GRANGER. Mr. Serrano.

Mr. SERRANO. Thank you, Mr. Secretary, for your service. Though the origins of Serrano and Diaz-Balart come from two different islands in the Caribbean, whenever we follow each other we usually stay on the same island for discussion.

So, on the issue of Cuba, let me congratulate the administration for seeing the light that this country hasn't seen for over 50 years and understanding that we do better when we invade people with blue jeans and sneakers and ideas and trade than when we try to isolate them. And I think that you are right, we helped whatever went wrong in Cuba throughout these years by isolating them. I hope to see that change come true.

So I have two questions for you and put them together. Without telling me what I am not supposed to know—I can't believe I am saying this on TV, we are supposed to know everything, right—but without telling me what I am not supposed to know, how are those negotiations going with Cuba and what is it that we want the Cubans to give us in return for opening up diplomatic relations?

And secondly, total my opinion, and this is totally my opinion, we know that our differences with Venezuela stemmed, one, from the style of President Chavez, but it also came strongly from their relationship to Cuba. So if we get close to Cuba, does it open the door to get closer to Venezuela?

Secretary KERRY. Let me answer both of those. First of all, the negotiations regarding with Cuba right now are really fairly straightforward regarding diplomatic relations. It is a process of diplomacy, an automatic process regarding normalization. The parameters of that were negotiated originally, which involved the release of the prisoners. There is obviously a concern about anybody who may have been rearrested or even the Ladies in White. That issue will be raised for certain.

In addition, the Internet agreement and other components of what was already agreed on will be on the table. But the most important part of this now is really the pro forma stuff of diplomatic relations, visas, travel, the access and process by which your diplomats are going to be treated. That is sort of the hard stuff of diplomatic relations and that is what is being talked about right now.

With respect to Venezuela and Cuba, I will tell you that I talked to President—I actually shouldn't—the President of a Latin American country to tell him that we were engaging in this policy. And there was almost a whoop of excitement on the other side of the phone saying, wow, that can really help change things throughout Latin America. If America can begin to have a different relationship with Cuba, it will change what has been a tool, a weapon that has been used against us by other countries in Latin America. And so, in fact, this President thought that he was going to undertake to call President Maduro immediately and talk to him and say, hey, don't get left behind, look what is happening, be part of the future.

Now, that hasn't happened yet, and we have serious concerns about what is going on in Venezuela. And obviously we are sort of perplexed by the and frustrated by the frequency with which President Maduro seems to want to blame everything on us when we have, in fact, done nothing. And every time he is in political trouble

he tries to play the anti-American card and starts citing some mythical coup or something that isn't taking place.

It would be great if he could realize the benefits to the people of Venezuela. The people of Venezuela are currently being hurt by the policies that he is pursuing, and we hope that he will realize that we are ready to engage in normal relationship of nations and become engaged in helping to deal with the problems of his people, the poverty, the opportunity, the education that is needed, other things, if he wants to engage in a legitimate relationship.

But there is no doubt that this was well received throughout Latin America. Quite surprised by many countries. Very welcomed by all.

Mr. SERRANO. Yes, it was. It was. And I can tell you—

Secretary KERRY. Except, perhaps, Venezuela that may be highly unsettled by it because it sort of leaves them quite isolated.

Mr. SERRANO. But they are isolated, yes, but still unable to blame our country for its treatment of Cuba, which has been used by many Latin American countries throughout the years. So that is why you saw this whooping, you know, this excitement. And I think that your statement that the countries in Latin America would sign up, a lot of Americans just don't understand that Cuba became a symbol to them—to them—of American oppression. And so when that gets settled, then Latin America has to look at itself again.

And we have to look at the fact—and I will close with this—that Latin America in our generation, Mr. Secretary, went from dictators to elected people who didn't care about their constituents to leftist people who built schools and got elected and built hospitals and got elected. And so if we understand that and we embrace that, regardless of how left they are of us, we may accomplish more than what we are accomplishing in Cuba.

And I just want to congratulate you because I have spent 25 years in Congress saying it is a wasted philosophy and policy and it serves nothing. And to see this President take this bold step, it is historic and I appreciate it and I thank you.

Secretary KERRY. Thank you, Congressman. I appreciate it.

Ms. GRANGER. Thank you.

The Secretary has to leave here at a quarter till 5. That is 15 minutes. And we have two members that have not asked questions.

Mr. Fortenberry.

Mr. FORTENBERRY. Thank you, Madam Chair.

Mr. Secretary, welcome.

I want to share with you a story and return to the Middle East. In 1979, when I was a young colleague student, I lived for a time in Egypt, and it was the year of the peace accords between Israel and Egypt, and there was a celebratory atmosphere of this new-found relationship with America.

But I lived for a time in a remote oasis area with farmers in the western desert. And one of the farmers, their English was very limited, so you did the best you could, but one of the farmers wanted to show me something. And he took me to one of his neighbors, and he grabbed his neighbor's hand, and he took his wrist and he bowed and placed his neighbor's wrist right on his face. His neighbor was a Coptic Christian and he was a Muslim, and his neighbor

had the tattoo of Christianity, which is common among Copts, on his wrist. He was trying to tell me a couple of things. One, that they were brothers, that they were friends, and also that I was welcome there in that village.

This story is very hard to reconcile with what is happening today, particularly with the emergence of ISIL and this 8th century barbarism with 21st century weapons that is not only assaulting life, but it is assaulting this sacred space of human dignity, this right, this value of being able to hold reasonably held beliefs and exercise them in religious tradition.

So once ISIL is hopefully contained, degraded, and eliminated, we still live with the difficult problem of assuring a religious pluralism and that the ancient peoples who have been there, who have every much right to be there as anyone else, Christians, Yazidis, other religious minorities, as well as innocent Muslim people who are being victimized by this, a new day should shine forth whereby this right of conscience and religious freedom should be respected.

In this regard, in the State Department, I have a suggestion and a plea for you. You have an Ambassador for International Religious Freedom, but I understand that his role is not as perhaps robust as it could be in reporting directly to you. This assault by ISIL is not only an assault on human dignity and life, it is an assault on civilization itself. So, again, once it is contained, this ideal of bringing forth a new and robust understanding of protecting the rights and dignities of all persons, no matter their religious faith. Middle Eastern Christianity is shattered and someone is going to have to pick up the pieces here.

If we have time, I would like to turn to the question of how the Kurds can help in this regard because they have been doing a very significant heavily lift in protecting that population, as well as the Yazidis. But if you would care to comment on the Ambassador for Religious Freedom and the position that they have in the State Department.

Secretary KERRY. Well, Rabbi Saperstein is as distinguished an advocate as there is, and he has access to me any time. I mean, I have enormous respect for him. He knows that. I worked very hard to get him to be able to come in and take this job on. And the last thing he is going to suffer for is lack of access to me, I assure you.

This is a huge priority within the State Department. I also appointed the first faith-based liaison office with Shaun Casey filling that role. We are deeply involved in trying to pull interfaith efforts together in order to appropriately stand up for religious freedom, but also to harness the full measure of force that comes from leaders within various religions to start speaking out about the true Islam, about interfaith abilities and needs, and so forth.

So I am very excited about it. The position has existed under prior administrations, but I think everybody would agree that Rabbi Saperstein is hugely appropriate to this moment. And I expect nothing but good results.

Mr. FORTENBERRY. Well, I agree. I hear you saying, I am interpreting your words, is that you have elevated and intensified the positioning of this Ambassador within the dynamics of the Department. And I think he, as well as whoever comes along, needs to

have a seat at the table as the rebuilding begins in the Middle East so that not only stability takes place, but the very basis for that stability of respect for human dignity and rights as expressed in religious freedom is right there next to everything else, defense considerations, economic considerations, human dignity considerations.

Secretary KERRY. Well, it is at the center of the struggle we are involved in.

Mr. FORTENBERRY. Yes.

Secretary KERRY. And we all need to pay attention to that.

Ms. GRANGER. Mr. Stewart.

Mr. STEWART. Madam Chairwoman, thank you.

And, Mr. Secretary, thank you, sir. Thank you for your many, many years of service. Thank you for your patience today as we have had votes and other responsibilities. And though you and I might see the world differently in some respects and politically we may not agree on everything, I do respect the leadership that you are providing in the administration now.

In framing my question, I would like to tell you that I spent 14 years as an Air Force pilot, as a military officer. During that time, I was the pilot rep for the implementation of START treaty with the former Soviet Union. It was a great experience. I learned a lot.

One of the things I learned from my military experience in general from that experience with the START treaty and, frankly, from some of my experience here in Congress is that for a treaty or an agreement to work there has to be a modicum of trust between the two parties. They may be adversaries, they may not like each other, but both of them must want the treaty to be successful and, again, for there to be some element to trust.

And to return to a topic that we have discussed here, but I would like to pursue it in a slightly different way, I am not sure that we have that trust with Iran. And let me explain what I mean by that. Iran is a state sponsor of terrorism. They have been recognized as such for more than 30 years, Hezbollah, Hamas. The list of them working against our interest is very long.

And so I would ask, to you, sir, two questions. I could go on for quite a long time telling you what you already know, that they have been and, I think, view us as an enemy in many regards, perhaps in most regards. They have a long list of working against our interests. Can you give me a single example of where they have worked with us as a partner or with any of our allies in a constructive way?

And the second question would be, how do we reconcile the damage that I believe this has done with our primary partner in the area, and that would be our friend of Israel, and their suspicions of these negotiations and whether we protect their interest as well?

Secretary KERRY. Well, first, let me begin, Congressman, I want to thank you for your service. I really appreciate, like everybody does, anybody who puts on the uniform and spends a few years.

Mr. STEWART. I have got to tell you, flying jets was a lot more fun than what I do now.

Secretary KERRY. As a pilot since I was in college, only out of currency since I have been Secretary of State, I agree with you.

Let me just say to you that you raise two issues there. Is there any issue where they have worked with us? Well, they are working

with us on this right now. They put the interim agreement in place over a year ago now. I think it was around November we cut the treaty—the deal, not a treaty. So it has been more than a year. They have done everything they said they would do in the context of that.

They have also kept secret those things that we thought needed to be kept secret as we worked through what could be a final agreement. I mean, we operate under the rule nothing is agreed until everything is agreed. And that means that whatever we may have agreed over here we have got to keep, because it may require one or the other to say yes to something that may not be very popular back home, but may be defensible. But it isn't defensible until you have the whole agreement.

They have not burned us with respect to that, nor we them, and that has facilitated a kind of dialogue that is pretty direct and open and allows us now to bear down on some of these things. They recognize we have difficulties. We recognize they have difficulties. And we all have bottom lines. That is in any negotiation.

So the interim agreement is one example of trying to work together on something. Now there are some things they have done that help us, but we are not coordinating with them. We are not working on it. We haven't asked them to do it. But, for instance, fighting ISIL. They are totally opposed to ISIL, and they are, in fact, taking on and fighting and eliminating ISIL members along the Iraqi border near Iran and have serious concerns about what that would do to the region and so forth. So we have, at least, a mutual interest, if not a cooperative effort.

But in the end, I emphasize to you, your second question was how to reconcile the damage that they may have done or that they could do to Israel in this. That is making a presumption, if you don't mind my saying so, that we are not going to have a deal here that, in our judgment, will absolutely protect Israel. It is not just Israel, by the way. It is us. It is every country in the region.

And it is not just us at the table trying to do this. People need to focus on this. Russia is as adamant as we are that Iran cannot engage in proliferation activities. China is at the table. China has been helpful in this process, as has Russia, by the way. Even in the midst of the fight over Ukraine, Russia is working to help hold Iran accountable and get a favorable agreement, as is China. And then we have Germany, France, Great Britain, all at the table, all as equally concerned about where this goes.

Then you have all the countries in the region, Turkey, Qatar, Saudi Arabia, Emiratis, Kuwaitis, Jordanians, they all have a stake in this.

So we are not flying by the seat of our pants, nor are we proceeding in a solo basis here. And everybody understands the implications of the potential of their having a nuclear weapon. Israel is not the only country. Others worry about it. So they all want to see that we are trying to negotiate an agreement which will meet a high standard of accountability and eliminate the four pathways to a bomb: the Natanz pathway, the Iraq pathway, the Fordow pathway, and then, of course, the potential of a covert pathway.

Now, that is complicated. We have to proceed. But you have to, also, measure this—I say carefully—against alternatives. Presump-

tions may be being made here by some people that there is an alternative way that you somehow get them to—you know, it is like “Men in Black,” you can hold up a little flash pen and flash it and they will forget everything they have learned about fuel cycle or nuclear weapons or nuclear production, peaceful nuclear production.

Do you think that is going to happen? Is there any notion of reality in anybody’s mind that says that we are going to negotiate a deal where they have eliminated all of their know-how? And if you don’t have verification and if you don’t have insight as to what they are doing, there is a greater likelihood they dig deeper under a mountain and do something that you don’t know and you wake up one day and, boom, they do have something.

So you have got to ask yourselves what are the real alternatives here. I hear people talk about dismantlement. I mentioned the Bush administration from 2003 on where their deal was no enrichment. But they just enriched away, and they centrifuged away, and they went from 164 to 19,000. They did that while they had sanctions, while there was a prohibition on the policy, while there was a U.N. resolution. And so you have got to stop and say, what is the best way to be able to guarantee they don’t get a bomb for the period of time to build in the future as we begin to change a lot of other things, hopefully?

Now, I will tell you this. I am not going to go into all of it now. I want us to see if we have a deal before I put all the arguments out there. But I am telling you there are many more arguments than have been heard about why this is important, and there are many more arguments than you will probably hear next week. And we need to wait and see what deal we have before you can really measure what it is that is at stake here and what the options are and how you feel about it.

Ms. GRANGER. Thank you, Mr. Secretary. We have run out of time. Mrs. Lowey has an issue she would like to bring up.

Mrs. LOWEY. I don’t think we have time to discuss it today, but I would like to raise one point. I know Andy Lack was just appointed head of the BBG, a talented person, very capable. I know that you are investing \$5 million, as announced by the President, in Center for Strategic Counterterrorism Communications. We have failed. We have lost this war. And I don’t get it. As a proud Member of Congress, as a proud American, I don’t understand why we can’t communicate more effectively.

I have been asking this question for a very long time. We are losing the public relations war. And while I think it is so important, we can’t discuss it today. It is called the Center for Strategic Counterterrorism Communications. It is a \$5 million program. We have \$742 million in program done by BBG. Together, I think we should figure out how we can be more successful.

The President brought this up at the conference last week, and I would love to get a briefing and understand why we are losing this public relations battle.

Secretary KERRY. Well, I really want to engage in that discussion with everybody. Russia today can be heard in English. Do we have an equivalent that can be heard in Russian? That is a pretty expensive proposition.

They are spending huge amounts of money with speaking languages that other people understand and putting out information that other people understand in other countries around them, and we are not. We are beginning now to do this with respect to ISIL, and so we are putting out things in Urdu, we are putting out things in Somalia, we are putting out things in Arabic.

But this is a big enterprise, folks. I am all for it. The President is all for it. But it takes money. And we have got to be prepared to invest in sort of that kind of marketing, if you will, and the penetration. What we have allocated now under BBG goes to Radio Free Asia, it goes to TV Marti, it goes to all these various entities, it is split up, while the real challenge is not as much there, to be honest with you, as it is in some of these other places.

So we will all agree we ought to sit down and rethink it, recommit, figure out how we are going to do this most effectively. We haven't cornered the market on the wisdom of that. But you are right, Andy Lack is a very capable guy. We are hopeful that we are going to have a rejuvenation of that effort. And we are sure to come back to you and talk to you about some of the ways we could try to augment our initiatives.

Mrs. LOWEY. Let me just say in conclusion, because we are not going to have the discussion today, Walter Isaacson is a pretty talented guy too. He headed it for a couple of years before.

Secretary KERRY. Very talented guy.

Mrs. LOWEY. We somehow have failed here, and I would be interested in having a serious discussion.

Secretary KERRY. I will tell you what, I will commit to come to you with a program that will lay out, together with all of those folks you have just named, a stronger approach on this, and I hope we can have a meeting of the minds on it.

Madam Chairwoman, with your indulgence, can I just say that we remain as deeply committed now as I was in the very beginning to trying to work something between the Palestinians and Israelis. It has been made very, very difficult by virtue of the Palestinian accession to the ICC, which we strongly advised them not to do and said would be acting against their own interests and the interests of a long-term resolution.

As everybody knows, there is a critical election in Israel in the next weeks. We are assiduously not engaged and do not want to get in the middle of that. It is up to the people of Israel to make their own decision. Our hope is, however, that when that decision is made and a government comes together, we will have an opportunity to get back to the real work of peace and of finding a road forward.

And the United States is deeply committed to that as before, and we are working right now to help make sure the Palestinian Authority doesn't collapse because of the lack of revenues and the stress that they are under. But make no mistake, that remains a major priority of many nations in the region, and I hear it wherever I go.

Ms. GRANGER. Mr. Secretary, as we adjourn the meeting, I have a request. Last year the House established the Benghazi Select Committee. It is in all of our best interest for the select committee's work to be completed as soon as possible. So your assistance in en-

sureing sufficient resources are dedicated to respond quickly to the select committee's requests is appreciated.

Thank you again for your time today. This concludes today's hearing.

Secretary KERRY. Thank you so much.

Ms. GRANGER. Members may submit any additional questions for the record.

Ms. GRANGER. The Subcommittee on State, Foreign Operations, and Related Programs stands adjourned.

**Questions for the Record Submitted by
Representative Kay Granger (1-3)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

How much funding, and from which account/program/project/activity, has the State Department provide to the entity, OneVoice, and for what purposes? Were the objectives of the grant met?

Answer:

The U.S. Embassy in Tel Aviv provided a one-time \$350,000 Public Diplomacy grant to OneVoice Israel to promote dialogue and support for peace negotiations and a two-state solution.

The duration of the grant ran from September 2013 to November 2014, and finished before the December 2014 announcement of Israeli parliamentary elections. The Department of State has not provided any funds, support, or direction to OneVoice since the grant ended.

Grantees generally have a period of performance established in the grant agreement and after that have a period of time to submit financial and program

reports and close-out the grant. At this time, there is no reason to expect that the terms of the grant were not met.

Question:

What is the State Department's policy on funding political activities? How does the Department determine whether grants include political activity, even if those activities are not included in the proposal?

Answer:

The State Department does not fund political activities or engage in activities intended to influence politics or elections in foreign countries.

As with all United States Government grants, we monitor and evaluate performance. If grantees use U.S. funds for any purpose other than what is specifically identified in the grant agreement, there are mechanisms available to amend, suspend, or cancel the agreement.

Question:

How does the American Embassy in Israel monitor and evaluate their grants?

Answer:

The State Department and other U.S. agencies follow standardized, government-wide procedures to monitor and evaluate grants. These activities include but are not limited to: regular contact with grantees in person, via email, and telephone; site visits; observation; examination of financial documents; and other reporting.

**Questions for the Record Submitted by
Representative Kay Granger (4)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

What is the timeline for a decision on providing lethal assistance to Ukraine?
What other options are being considered?

Answer:

We continue to monitor the situation closely and retain the flexibility to calibrate our security assistance as necessary, and in consultation with Congress, to support a diplomatic resolution to the conflict. We continue to believe that there is no military resolution to this crisis, but affirm that Ukraine has the right to defend itself.

The United States has provided significant non-lethal defensive security assistance to Ukraine to help address the crisis fueled by Russian support for separatists in eastern Ukraine. In 2014, we committed about \$124 million in training and equipment to help Ukraine's forces monitor and secure their borders, operate more safely and effectively, and preserve Ukraine's territorial integrity. On March 11, we announced an additional \$75 million in Department of Defense European Reassurance Initiative funds to provide Ukraine with secure

communications equipment, UAVs, counter-mortar radars, night vision devices, first aid kits, and other medical supplies. We delivered 30 armored Humvees in April, with plans for up to an additional 200 unarmored Humvees in the coming months. On April 21, we began our Global Security Contingency Fund (GSCF) program to provide non-lethal equipment and training to elements of Ukraine's National Guard. Over the next several months, the U.S. Army will train units at the International Peacekeeping and Security Center near Yavoriv in western Ukraine on skills associated with internal defense operations, as well as respect for human rights. Through the GSCF program, we are providing critical equipment to complement the training, including personal protective equipment, night vision devices, and secure radios.

We are also planning to provide an additional \$45 million in Foreign Military Financing (FMF) as part of the European Reassurance Initiative requested in the FY 2015 Overseas Contingency Operations (OCO) Budget Amendment and provided by Congress.

Our focus remains on finding a diplomatic solution, but we will continue to monitor the situation closely and remain in constant contact with our Ukrainian counterparts to determine our next steps in defense cooperation.

**Questions for the Record Submitted by
Representative Kay Granger (5)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

Which embassies will include U.S. Fish and Wildlife Service law enforcement personnel and how are those posts being selected?

Answer:

The first U.S. Fish and Wildlife Service (USFWS) attaché was deployed to Bangkok, Thailand in 2014. USFWS selected three additional agents who will deploy to Gaborone, Botswana; Dar es Salaam, Tanzania; and Lima, Peru later this year. In addition, USFWS is working with Embassy Beijing to station an attaché in China as well.

These posts were selected based on several criteria, including poaching/trafficking hot spots, regional deployability, and host government commitments to combat wildlife trafficking. USFWS hopes to deploy additional attachés over the next year, depending upon funding availability. The attachés will coordinate investigations of wildlife trafficking and support wildlife enforcement capacity building. The Department wholly supports this effort and we stand ready to coordinate with USFWS.

**Questions for the Record Submitted by
Representative Kay Granger (6-19)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

Provide the 2012 through 2014 annual new treatment enrollments for HIV/AIDS programs directly supported by the bilateral PEPFAR program. Please include a separate column reflecting Global Fund supported enrollments.

Answer:

Since the inception of both the President's Emergency Plan for AIDS Relief (PEPFAR) and the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund), the two programs have worked in concert to address the priority issues pertaining to the HIV/AIDS epidemic. Antiretroviral (ARV) treatment initiatives have been a major component of these agendas. PEPFAR and the Global Fund have collaborated to monitor results in each country where both programs are present. A strategy was formed to account for the shared support of the two programs in each country and for the overlapping effort represented by each program's interventions in treatment. In such cases of overlapping effort it has been important to document where the two programs contribute to the overall outcomes of a given country and how this overlap is reflected in reported results. The accompanying table includes reported treatment results for all countries where PEPFAR supports programming for FY 2012 through FY 2014. Of particular note,

the historical pattern of collaborative monitoring has used reported results for the “Current on ARV Treatment” indicator, not for “New Enrollments.” The “New

Enrollments” data exist for PEPFAR programs, but not for the Global Fund.

PEPFAR and Global Fund Results in Joint-Presence Countries by Year						
Current on ARV Treatment						
Country	Year					
	2012		2013		2014	
	PEPFAR	GF	PEPFAR	GF	PEPFAR	GF
Botswana	5,266		5,620		2,637	
Burma					197	64,721
Burundi		27,709		29,121	18,593	34,962
Cambodia	13,064	47,806	9,849	49,797	15,569	50,659
Cameroon		97,418			816	130,911
China	2,339	9,688	1,338	9,947	18,884	10,175
Cote d'Ivoire	81,437	91,059	94,989	109,243	129,993	
DR Congo	6784	40,812	14,833	54,046	31,124	71,892
Dominican Republic	4,627	20,023	1,173	22,686	25,712	24,136
Ethiopia	275,026	268,271	317,443	311,632	355,597	332,963
Ghana		61,140		78,380		
Guyana	2,595	3,481	2,894	3,804	2,856	4,148
Haiti	41,032	38,739	52,047	48,852	62,602	59,515
India		521,268		632,397		
Indonesia		25,824		29,721	71	34,116
Kenya	579,039	538,983	631,503		744,116	343,757
Lesotho	93,088	91,589	91,778	78,993	118,453	105,716
Malawi	119,218	264,512	348,013	422,866	488,124	422,866
Mozambique	242,705	273,561	365,051	391,982	491,658	552,940
Namibia	113,100	107,107	61,555		17,878	
Nigeria	488,759		537,997	519,262	610,599	673,729
Papua New Guinea		4,287	211	12,223	344	13,258
Rwanda	67,710	108,208	76,027	122,972	118,342	128,497
South Africa	1,651,831	23,670	2,400,000	215,000	2,610,702	275,184
South Sudan			6,278	5,625	9,373	10,618
Swaziland	60,080	77,635	69,024	85,957	88,059	92,240
Tanzania	364,253	280,183	444,368	459,659	554,614	512,555
Thailand		7,836		7,589	735	5,712
Uganda	364,207		507,663	499,200	425,820	629,328
Ukraine		11,049		48,430		
Vietnam	40,751	27,662	43,918	34,206	53,501	39,592
Zambia	445,159	445,463	503,420	521,207	583,980	580,118
Zimbabwe	80,000	437,276	140,000	628,362	162,576	665,199
Asia Regional Program						
Caribbean Region						
Central America Region						
Central Asia Region					1,903	6,650
TOTAL	5,142,070	3,952,259	6,726,992	5,431,159	7,745,428	5,876,157

Question:

Provide a table detailing the annual costs of other core prevention, care and Orphans and Vulnerable Children (OVC) programs annually over the 2012 through 2014 period.

Answer:

	Total 2012	Total 2013	Total 2014
	Total Planned Amount	Total Planned Amount	Total Planned Amount
Care (Non-HKID)	426,750,021	445,208,253	482,175,989
HKID	272,648,945	276,855,642	247,501,833
Prevention	1,443,198,260	1,070,591,673	757,736,025

Question:

What are the Administration's targets for treatment, prevention, care, OVC and health systems that the bilateral PEPFAR program is expected to directly support in FY 2016 and by FY 2020? Please compare to targets for FY 2011 through FY 2015. How do the targets change once Global Fund programs are included?

Answer:

The accompanying table illustrates the targets for relevant indicators for each of the fiscal years from FY 2011 through FY 2015. Key indicators associated with each of these principal program areas were used for this discussion, rather than including all possible metrics. Data were drawn from the Country Operating Plans (COP) submitted by each country program on an annual basis. These targets become the primary means to monitor progress and success of the President's Emergency Plan for AIDS Relief (PEPFAR) efforts in each country. When these targets are developed as part of the larger COP process, extensive discussions in-

country with national partners, the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) supported program representatives, and other stakeholders ensure a collaborative process to define targets for primary implementing efforts. The inclusion of the Global Fund and other implementation support occurs at the beginning of these discussions, rather than making adjustments afterwards. PEPFAR targets, consequently, submitted as part of a COP already account for the contributions made by other stakeholders in-country. In country-specific instances where PEPFAR does not provide primary support for a program, such as treatment, Global Fund programming results in increased targets. However, in aggregate across all PEPFAR supported bilateral programs, this variance is nominal.

It is important to note in this table that the transition in definitions for indicators occurred in FY 2014. Previously, results were based on counts of service recipients, and with the introduction of the new metrics, counts include recipients of direct service delivery and of technical assistance.

PEPFAR Results and Targets for select indicators, FY 2011-FY 2015.

Indicator	FY 2011 Result	FY 2012 Result	FY 2013 Result	FY 2014 Result ¹	FY 2014 COP FY 2016 Target
Treatment_Current	3,905,366	5,143,017	6,840,937	7,745,437	9,424,279
PMTCT_Test	9,817,506	11,012,542	12,822,051	14,230,238	13,977,980
PMTCT_ARV	660,828	752,949	781,599	745,369	928,079
VMMC	574,204	1,131,901	2,230,075	2,242,267	1,924,933
CARE	7,910,769	9,618,498	9,935,496	9,982,444	11,730,948
OVC	4,133,138	4,644,306	5,040,691	5,038,327	5,715,643
HIV Test	40,575,174	46,508,455	57,705,138	56,760,629	48,678,774
HRH	9,463	31,921	33,433	55,814	46,150

1. Totals do not include the overall sum of results for all U.S. Government implementing agencies in Uganda.

Note. Treatment_Current: persons on ARVs at end of reporting period; PMTCT_Test: pregnant women who know their status by end of reporting period; PMTCT_ARV: pregnant women receiving ARV prophylaxis; VMMC: voluntary male medical circumcision; CARE: persons receiving at least one clinical care service (definition became more specific in FY 2014); OVC: orphans and vulnerable children; HIV Test: persons who received testing services and know their HIV status; HRH: health care workers graduated from a pre-service training program. The Treatment_Current value for FY 2014 is higher than that published in the recent PEPFAR Annual Report to Congress. This variance is due to the use of different disaggregates to compute totals. In some instances, countries will provide greater detail in some levels of disaggregation than in others. Consequently, when calculating sums, differences will occur. The value in this table represents a grand total for all countries at the highest level of disaggregation.

Question:

Please provide details about contributions and pledges calculated to determine the FY 2016 President's request for a U.S. contribution to the Global Fund. What percentage does the U.S. contribution represent with respect to the statutory 33% cap on the U.S. contribution?

Answer:

At the Global Fund's Fourth Replenishment Conference in December of 2013, the U.S. government committed to seek at least \$4 billion for the Fourth Replenishment, an amount equal to one-third of pledges made to date by donors. To continue to challenge donors to pledge beyond the conference, President Obama announced that the United States would uphold its challenge to pledge \$1 for every \$2 committed by others through September 2014. The challenge was intended to incentivize donors to maximize their pledges through a message of shared responsibility.

As of September 2014, the Global Fund received roughly \$205 million in additional pledges, bringing the pledge amount from the United States to \$4.1 billion for 2014-2016. The FY 2014 and FY 2015 budget requests for the Global Fund were \$1.65 billion and \$1.35 billion, respectively. An FY 2016 budget

request of \$1.1 billion achieves the U.S. government's commitment for the Fourth Replenishment period.

Question:

Please provide a table showing what other donors are contributing bilaterally and annually to the fight against HIV and AIDS over the 2012 to 2014 time period. Include a separate column reflecting bilateral contributions to the Global Fund.

Answer:

The U.S. government tracks bilateral contributions on a country-by-country basis as a part of its annual Country Operational Plan (COP) review process. On the aggregate, bilateral contributions are tracked by the Joint United Nations Programme on HIV/AIDS (UNAIDS) and released in a joint report with the Kaiser Family Foundation. This information is provided in the table below for 2012 and 2013. Information for 2014 is expected to be released in summer of 2015.

Moving forward, PEPFAR plans to increase efforts to track and share bilateral donor contribution information, as well domestic financing, which are linked to efforts towards a sustainable approach to epidemic control.

2012¹**TABLE 1: INTERNATIONAL HIV ASSISTANCE FROM DONOR GOVERNMENTS, 2012**

GOVERNMENT	BILATERAL DISBURSEMENT	GLOBAL FUND		UNITAID		TOTAL DISBURSEMENT
		TOTAL (100%)	ADJUSTED (55%)	TOTAL (100%)	ADJUSTED (51%)	
Australia	\$90.4	\$62.3	\$34.3	–	–	\$124.7
Canada	\$54.1	\$182.4	\$100.3	–	–	\$154.5
Denmark	\$157.2	\$25.1	\$13.8	–	–	\$171.0
France	\$55.9	\$447.6	\$246.2	\$143.4	\$74.9	\$376.9
Germany	\$145.8	\$259.4	\$142.7	–	–	\$288.5
Ireland	\$52.4	\$14.7	\$8.1	–	–	\$60.5
Italy	\$13.9	–	–	–	–	\$13.9
Japan	\$20.5	\$342.9	\$188.6	–	–	\$209.1
Netherlands	\$166.2	\$49.6	\$27.3	–	–	\$193.5
Norway	\$62.8	\$75.5	\$41.5	\$21.5	\$11.2	\$115.6
Sweden	\$113.2	\$104.6	\$57.5	–	–	\$170.8
United Kingdom	\$643.4	\$203.9	\$112.2	\$87.2	\$45.5	\$801.1
United States	\$4,359.2	\$1,205.7	\$663.1	–	–	\$5,022.3
European Commission	\$30.3	\$127.9	\$70.4	–	–	\$100.7
Other Governments	\$32.1	\$46.3	\$25.5	\$7.0	\$3.7	\$61.3
TOTAL	\$5,997.6	\$3,147.9	\$1,731.4	\$259.1	\$135.3	\$7,864.2

¹http://www.unaids.org/sites/default/files/en/media/unaids/contentassets/documents/document/2013/09/20130923_KFF_U_NAIDS_Financing.pdf

2013²

Table 1: International HIV Assistance from Donor Governments (USD), 2013						
Government	Bilateral Disbursement	Global Fund		UNITAID		Total Disbursement
		Total (100%)	Adjusted (57%)	Total (100%)	Adjusted (51%)	
Australia	\$ 90.2	\$ 94.3	\$ 53.7	-	-	\$ 144.0
Canada	\$ 42.1	\$ 174.1	\$ 99.2	-	-	\$ 141.4
Denmark	\$ 177.2	\$ 25.4	\$ 14.5	-	-	\$ 191.7
France	\$ 50.5	\$ 496.7	\$ 283.1	\$ 149.5	\$ 76.2	\$ 409.8
Germany	\$ 134.1	\$ 265.2	\$ 151.2	-	-	\$ 285.3
Ireland	\$ 48.9	\$ 19.1	\$ 10.9	-	-	\$ 59.8
Italy	\$ 2.4	-	-	-	-	\$ 2.4
Japan	\$ 31.9	\$ 122.3	\$ 69.7	-	-	\$ 101.6
Netherlands	\$ 134.9	\$ 90.4	\$ 51.5	-	-	\$ 186.4
Norway	\$ 63.6	\$ 77.1	\$ 43.9	\$ 21.4	\$ 10.9	\$ 118.4
Sweden	\$ 111.9	\$ 106.2	\$ 60.6	-	-	\$ 172.5
United Kingdom	\$ 680.7	\$ 205.0	\$ 116.9	\$ 87.2	\$ 44.5	\$ 842.1
United States	\$ 4,782.7	\$ 1,470.4	\$ 838.1	-	-	\$ 5,620.8
European Commission	\$ 19.6	\$ 142.2	\$ 81.1	-	-	\$ 100.6
Other Governments	\$ 60.5	\$ 36.2	\$ 20.6	\$ 4.0	\$ 2.0	\$ 83.2
TOTAL	\$ 6,431.3	\$ 3,324.5	\$ 1,895.0	\$ 262.0	\$ 133.6	\$ 8,459.9

² <https://kaiserfamilyfoundation.files.wordpress.com/2014/07/7347-10-financing-the-response-to-hiv-in-low-and-middle-income-countries.pdf>

Contributions to the Global Fund³

DONORS	2012 Contribution	2013 Contribution	2014 Contribution	2012-2014 Total Contribution
Countries				
Australia	62,287,178	94,275,000	28,430,500	184,992,676
Belgium	27,108,900	15,602,895	25,559,750	68,271,545
Brunei Darussalam				
Canada	182,431,129	174,086,583	176,570,043	533,087,755
China	5,000,000	5,000,000	5,000,000	15,000,000
Denmark	25,095,623	25,358,960	30,419,232	80,873,816
Estonia			4,124	4,124
European Commission	127,921,000	142,240,150		270,161,150
Finland	5,202,000	2,621,400		7,823,400
France ^{1,12}	450,330,559	436,919,507	391,494,800	1,278,744,867
Georgia	20,000	20,000		40,000
Germany	259,425,000	265,190,000	317,573,875	842,188,875
Greece				
Hungary				
Iceland			50,000	50,000
India		3,000,000	4,500,000	7,500,000
Ireland ⁴			12,813,500	12,813,500
Italy			40,875,000	40,875,000
Japan	342,876,738	122,273,670	289,024,391	754,174,799
Kenya			500,000	500,000
Korea (Republic of)	2,000,000	4,099,981	4,067,893	10,167,874
Kuwait	500,000	499,965	500,000	1,499,965
Latvia				
Liechtenstein	109,784	110,748	113,817	334,349
Luxembourg	3,123,500	3,217,750	4,041,500	10,382,750
Malawi				
Malaysia	32,216			32,216
Monaco				
Namibia	250,000	250,000	250,000	750,000
Netherlands	30,845,000	90,403,100	90,532,830	211,780,930
New Zealand				
Nigeria				
Norway	75,466,848	77,073,657	71,392,875	223,932,380
Poland				
Portugal ⁵			66,957	66,957
Romania				
Russia	20,000,000	20,000,000		40,000,000
Rwanda	325,000	325,000		650,000
Saudi Arabia	8,300,000	16,700,000	9,000,000	34,000,000
Singapore				
Slovenia				
South Africa		1,524,855		1,524,855
Spain				
Gen Catalunya/ Spain				
Sweden	104,593,133	106,230,484	116,075,184	326,898,801
Switzerland	8,769,045	10,624,734	22,647,492	42,041,271
Thailand	999,968		1,499,950	2,499,918
Tunisia				
United Kingdom ¹²	404,514,038	205,013,136	640,137,500	1,249,664,674
United States ²	1,215,528,119	1,470,437,469	1,551,876,012	4,237,839,600
Zimbabwe			400,000	400,000
Other Countries ⁷				
Total	3,363,051,776	3,293,099,046	3,835,417,226	10,491,568,049

³ www.globalfund.org under Pledges and Contributions tab

Question:

Please provide a table showing what recipient countries are contributing bilaterally and annual to the fight against HIV and AIDS within their borders over the 2012 to 2014 time period.

Answer:

Country	Year	Domestic Public
Burundi	2012	\$2,132,874
	2013	\$1,841,735
Cambodia	2012	\$5,212,931
DRC	2012	\$2,710,269
Dominican Republic	2012	\$9,262,504
India	2012	\$210,000,000
	2013	\$140,000,000
Indonesia	2012	\$36,851,913
Kenya	2012	\$140,000,000
	2013	\$150,000,000
Nigeria	2012	\$120,000,000
Papua New Guinea	2012	\$6,385,677
Rwanda	2012	\$19,946,470
South Sudan	2012	\$2,302,076
Sudan	2012	\$4,698,522
	2013	\$3,717,832
Swaziland	2012	\$26,452,555
	2013	\$33,155,127
Vietnam	2012	\$30,327,094
Zambia	2012	\$15,829,478
Zimbabwe	2012	\$34,573,569
	2013	\$34,347,820

Question:

What steps is the Office of Global Health Diplomacy taking to increase HIV/AIDS funding from donor and recipient countries? Please answer in detail and the results of those steps to date.

Answer:

The Office of Global Health Diplomacy (GHD) was merged with the Office of the Global AIDS Coordinator (S/GAC) to create the Office of the Global AIDS Coordinator and Health Diplomacy (which maintains the S/GAC acronym) on January 5, 2015. The merger aligns GHD's diplomatic expertise with S/GAC's efforts to promote a greater shared responsibility for the global HIV/AIDS response.

With regard to donor countries, GHD provided diplomatic support for the Global Fund to Fight AIDS, Tuberculosis, and Malaria's (the Global Fund) 2014-2016 pledging conference, which took place in December 2013. GHD focused on engagement with emerging donors, particularly the Gulf nations. Thanks in part to GHD efforts, senior representatives from Gulf countries attended the conference and pledged over \$25 million. This funding will translate into thousands of lives saved through Global Fund grants. GHD has deployed senior Department and Embassy leadership to maintain and expand these relationships, developing a strong foundation for further engagement as we look to the next replenishment of the Global Fund in 2016.

With regard to recipient countries, GHD routinely briefs diplomats on encouraging African nations to live up to their Abuja Declaration commitments and Asian nations to mobilize greater public and private resources for health. GHD

has provided specific guidance on encouraging host governments to increase their investments in health. The guidance summarizes the large body of evidence documenting the high rate of return on investments in health and the general argument that health leads to wealth. It also provides talking points that Ambassadors and their staff members can use when engaging host country officials, including Ministers of Finance, Health, and Foreign Affairs, parliamentarians, and Heads of State. GHD has also provided guidance to embassies on reporting on political and economic issues, such as human rights, corruption, doctor strikes, or port closures that might interrupt healthcare delivery, supply chain, etc. GHD is deploying staff to reinforce these messages and provide support in-country. In addition, GHD is working with the Foreign Service Institute to ensure that all officers understand the Administrations primary health objectives and the interconnections of health to our broader foreign policy goals, particularly economic growth.

Question:

How many direct hire and non-direct hire positions are funded with bilateral PEPFAR funds (by U.S. Government agency) annually over the 2012 through 2014 period?

Answer:

HEADQUARTERS SUMMARY BY AGENCY												
Direct Hire/Non-Direct Hire Positions Funded by USG												
Agency	FY 2012				FY 2013				FY 2014			
	Direct Hire	FTEs	Non-Direct Hire	FTEs	Direct Hire	FTEs	Non-Direct Hire	FTEs	Direct Hire	FTEs	Non-Direct Hire	FTEs
HHS-CDC	376	354.00	60	54.00	344	328.00	100	89.00	404	382.30	80	64.30
HHS-HRSA	63	19.00			66.00	21.00			74	24.74		
HHS-NIH	5	3.25			8	4.45			9	4.95	1	1.00
HHS-OGA	16	11.60			15	10.60			22	11.60		
HHS-SAMHSA	1	1.00			1	1.00			7	5.85		
HHS-FDA	1	1.00			1	1.00			1	1.00		
DoD	8	8.00	17	15.00	8	8.00	20	17.80	8	8.00	23	20.05
PC	218	32.11			208	34.69			289	32.67		
USAID	110	80.40	124.00	122.80	94.00	71.50	189.00	125.70	110	86.20	180	125.70
STATE	41	41.00	57	57.00	36	36.00	57	93.00	41	41.00	57	57.00
TOTAL	839	551.36	258	248.80	781	516.24	366	325.50	965	598.31	341	268.05

FIELD SUMMARY BY AGENCY												
Direct Hire/Non-Direct Hire Positions and FTE Funded by USG												
Agency	FY 2012				FY 2013				FY 2014			
	Direct Hire	Direct Hire FTE	Non-Direct Hire	Non-Direct Hire FTE	Direct Hire	Direct Hire FTE	Non-Direct Hire	Non-Direct Hire FTE	Direct Hire	Direct Hire FTE	Non-Direct Hire	FTE
HHS/CDC	390	371.34	2406	2342.8	238	226.87	1360	1307.22	230	222.95	1380	1338.78
HHS/OS	1	1			1	1			1	1		
HHS/OGHA	3	3			1	1			1	1		
HHS/SAMHSA	1	1	4	4	1	1	2	2	1	1	2	2
DoD	11	8.55	358	339.71	6	5.5	178	174.86	5	4.5	117	116.5
PC	8	4.6	181	161.29			127	110.37			142	131.14
USAID	333	242.375	1259	830.935	211	148.41	731	521.5	196	144.89	710	530.125
STATE	21	15.65	155	145.8	15	10.6	91	86.95	16	13.7	96	90.325
TOTAL	768	647.515	4,363	3,824.535	473	394.38	2,489	2,202.90	450	389.04	2,447	2,208.87

Question:

Please provide a table listing the top 10 direct government to government recipient countries of PEPFAR funds by U.S. Government agency and annually over the FY 2012- FY 2014 period.

FY 2012 Table

FY 2012: Top 10 countries with planned allocations to government entities in COP 2012, by agency				
	HHS/CDC	State/AF	USAID	Total
Rwanda	36,099,119			36,099,119
Haiti	30,902,679			30,902,679
Kenya	29,799,651			29,799,651
Uganda	26,829,519			26,829,519
Namibia	19,490,826		430,000	19,920,826
Nigeria	18,830,882			18,830,882
Vietnam	14,870,567			14,870,567
Zambia	13,651,014	100,000		13,751,014
Botswana	13,186,577			13,186,577
Ethiopia	11,329,014			11,329,014

FY 2013 Table

FY 2013: Top 10 countries with planned allocations to government entities in COP 2013, by agency			
	HHS/CDC	USAID	Total
Haiti	34,060,595		34,060,595
Rwanda	33,470,710		33,470,710
Zambia	28,767,399		28,767,399
Uganda	28,136,562		28,136,562
Tanzania	18,346,929	390,000	18,736,929
Ethiopia	16,912,821	1,250,000	18,162,821
South Africa	14,797,961	2,000,000	16,797,961
Kenya	16,630,808		16,630,808
Vietnam	15,429,193		15,429,193
Nigeria	12,125,667		12,125,667

FY 2014 Table

FY 2014: Top 10 countries with planned allocations to government entities in COP 2014, by agency			
	HHS/CDC	USAID	Total
Ethiopia	41,615,102	231,000	41,846,102
Rwanda	37,471,711		37,471,711
Kenya	23,728,666	11,478,596	35,207,262
Uganda	27,725,603		27,725,603
Haiti	22,836,184		22,836,184
Zambia	22,310,257		22,310,257
Vietnam	12,624,529		12,624,529
Tanzania	7,059,057	436,760	7,495,817
Malawi	6,676,411		6,676,411
Mozambique	6,183,410		6,183,410

Question:

Please provide a table differentiating the funding provided for HIV/AIDS programs by the United States Agency for International Development versus the Centers for Disease Control and Prevention.

Answer:

Agency/Program \$ in thousands	Total Available FY 2004 - FY 2014	of which, Total Country via COP and F-OP Funding	of which, Total Country via HOP and Other Funding	of which, Total TOM Funding
USAID	22,210,053	18,395,907	3,510,443	303,703
CDC	14,116,656	11,704,797	1,507,200	904,659
1/USAID includes \$3.5B that has been made available for the HIV/AIDS Working Capital Fund, FY 04-FY14				
2/HHS includes NIH International HIV/AIDS Research funding, totaling \$4.3B				

Question:

What is the number of personnel in the Office of Global Health Diplomacy? Please break out by direct hire, contractor and detailee (including detailee's agency).

Answer:

The Office of Global Health Diplomacy (GHD) was merged with the Office of the Global AIDS Coordinator (S/GAC) to create the Office of the Global AIDS

Coordinator and Health Diplomacy (which maintains the S/GAC acronym) on January 5, 2015. Personnel and resources are in the process of being transferred as part of the merger. The Global Health Diplomacy team will remain an operating unit within S/GAC and currently maintains eleven staff members:

- 4 Foreign Service Officers (one current; three arriving in summer 2015)
- 1 Civil Service direct hire
- 1 Centrally-funded AAAS Fellow
- 1 full-time contractor
- 1 60%-time consultant
- 1 Pathways intern
- 2 detailees from S/GAC

GHD has detailed one Foreign Service Officer to S/GAC in support of multilateral efforts.

Question:

What is the level of funds requested in FY 2016 and estimated in FY 2015 for the Office of Global Health Diplomacy? Are any program funds assumed? If so, at what level and from which account?

Answer:

The Office of Global Health Diplomacy (GHD), within the Office of the Global AIDS Coordinator and Health Diplomacy (S/GAC), received a FY 2015 operating budget of \$1.093 million from Diplomatic and Consular Programs

(D&CP), from which \$519,000 are bureau-managed resources and \$574,000 are for American Salaries (AMSALs).

The same funding levels from D&CP have been requested for FY 2016. Currently no funding for Global Health Diplomacy is from the GHP-State account, and the FY 2016 request does not include a request for GHP-State funds for Global Health Diplomacy.

Question:

Please detail any funding transfers from OGAC, USAID and CDC in support of the operations of the Office of Global Health Diplomacy.

Answer:

The Office of Global Health Diplomacy (GHD) has not received any funding transfers from United States Agency for International Development (USAID) or the Centers for Disease Control and Prevention (CDC). GHD has not received any funding transfers from the Office of the U.S. Global AIDS Coordinator (S/GAC) in FY 2015. Prior to FY 2015 S/GAC transferred \$189,000 to GHD to fund a contract employee who focused on HIV related Global Health Diplomacy activities.

Question:

Please describe the accomplishments of the Office of Global Health Diplomacy to date, including any developments with respect to donor countries' commitments.

Answer:

The Office of Global Health Diplomacy (GHD) has raised awareness of health as a core component of U.S. foreign policy and prepared Foreign Service Officers at all levels to maximize the impact of the U.S. government's \$9 billion annual investment in global health, and ultimately, save lives. GHD has accomplished this by focusing on two objectives: raising awareness of U.S. government priorities for global health, and promoting a global "shared responsibility" for health, including broadening support for results-driven multilateral health institutions.

GHD elevates health as a core component of U.S. foreign policy. While good health is the foundation of all prosperous societies, drives economic growth, and promotes political stability, it rarely is prioritized in U.S. foreign policy absent a crisis. Developing and funding an effective health system that contributes to stability, economic growth and trade, requires political will at the most senior levels of partner governments. In the past two years, GHD has implemented a multi-pronged learning agenda to prepare diplomats of all levels to engage on health, including:

- Interagency health briefings: Empowering Ambassadors to lead U.S. government health teams and raise health issues with the most senior levels of partner government immediately upon arrival in-country. Prior to the launch of

GHD, outgoing Chiefs of Mission (COMs) rarely received comprehensive briefs on U.S. health equities, priorities and challenges in country. Given the importance, and often the magnitude, of U.S. investments in health, GHD initiated interagency briefings (including the U.S. Department of State (DOS), the U.S. Department of Health and Human Services (HHS), the United States Agency for International Development (USAID), the U.S. Department of Defense (DOD) and Peace Corps) for outgoing COMs and Deputy Chiefs of Mission (DCMs) to describe the health landscape in-country, define interagency dynamics, and identify opportunities for Embassy front office engagement. To date, GHD has convened over 75 briefings.

- **Training at Foreign Service Institute (FSI):** Equipping over 800 officers to better address global health in diplomatic dialogue and reporting. GHD has collaborated with FSI to ensure that U.S. priorities for global health are represented in training at all levels and across relevant portfolios, starting with the Foreign Service entry class (A100) and continuing through regional Area Studies and functional/tradecraft courses.
- **Speaker Series:** Raising health awareness among critical Department of State and intergovernmental audiences GHD launched the Global Health Diplomacy Speakers Series and has recruited world-renowned experts to discuss diverse topics, including the U.S. government response to the Ebola outbreak, global

burden of disease, human resources for health, and the power of partnership to help build health systems. To date, over 500 officers and 100 foreign diplomats have attended the speaker series.

- **Tools for the Field:** GHD has released a series of cables to support Embassy staff including health diplomacy best practices, op-ed and speech building blocks, and guidance on changes in health policy and programs.

GHD promotes a global “shared responsibility” for health. Because the U.S. is the single largest bilateral and multilateral donor for global health, it is essential that U.S. investments are leveraged effectively. To achieve this, GHD has focused on goals of (1) increasing resources contributed by traditional and emerging donor nations, (2) aligning U.S. government policies and priorities across the interagency for impact with key multilateral health institutions, and (3) advancing bilateral health collaboration.

- **Increasing resources for global health:** GHD has worked to increase resources by reaching out to traditional- and emerging-donor governments to join the U.S. in supporting the critical work of the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) and GAVI, the Vaccine Alliance (GAVI). This year, GHD helped GAVI exceed their replenishment goal of \$7 billion by facilitating meetings between GAVI leadership, U.S. Ambassadors, and host government officials, and working with posts to demarche governments. For

example, GHD facilitated access to key Japanese Parliamentarians and ministerial-level officials that GAVI officials could not have arranged on their own. Similarly, GHD worked with Senior Department Leadership and Embassy Berlin to deliver key messages encouraging Germany to host the replenishment conference, which they did in January, 2015. In addition, GHD worked with our embassies in Saudi Arabia, Qatar, United Arab Emirates, and Kuwait to deliver key messages and both Saudi Arabia and Qatar made generous contributions to GAVI this year. Finally, GHD arranged for extensive engagement between GAVI and the Government of Sweden, a new relationship that we hope will result in additional support for GAVI in coming years.

- **Launching the Multilateral Health Forum:** to improve information flow among agencies responsible for the U.S. government contribution to multilateral institutions⁴ working in global health every year. GHD and the Bureau of International Organizations (IO) launched the semiannual Multilateral Health Forum to convene the U.S. board representatives to the various health multilaterals in order to develop common messaging and align policy. Topics have included lessons learned from the 2013 Global Fund replenishment to better position U.S. diplomatic assets for GAVI and the U.S. government's position on World Health Organization (WHO) reform in the wake of Ebola.

⁴ Global Fund, GAVI, WHO, PAHO, World Bank, UNICEF, UNFPA

- Improving bilateral relationships: GHD led successful negotiations within the Department and the interagency for addition of a Health Pillar to the U.S.-China Consultation on People-to-People Exchanges (CPE), increasing our bilateral health relationship. GHD will introduce and serve as Lead for the Health Pillar at the 2015 CPE this June in Washington.

**Questions for the Record Submitted by
Representative Kay Granger (20)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

How do Department of State records management practices comply with all federal records management laws and regulations promulgated by the National Archives and Records Administration?

Answer:

The Department works closely on a routine basis with the National Archives and Records Administration (NARA) on record-keeping issues. The Department maintains documents according to the more than 5,000 disposition schedules reviewed and approved by NARA. In recent years, the Department has worked to incorporate and implement the latest NARA guidance on email recordkeeping.

To ensure compliance with Federal records management laws and regulations, each year, the Department submits a Senior Agency Official for Records Management Annual Report and a Records Management Self-Assessment report to NARA. The FY 2013 and FY 2014 Senior Agency Official for Records Management reports are available on the Department's Freedom of Information Act (FOIA) website.

The Department received a low-risk rating from NARA in its FY 2013 assessment. NARA has not released the results of the FY 2014 assessment at present.

**Questions for the Record Submitted by
Representative Kay Granger (21)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

What types of records management training are Department of State employees provided to ensure appropriate knowledge of and adherence to these statutes and regulations?

Answer:

The Department's Foreign Service Institute (FSI) provides a wide variety of courses, both classroom and online courses, that include State Messaging and Archive Retrieval Toolset (SMART) and record email subject matter. These courses include:

- *Foreign Service Office Management Specialist Training for Entering Personnel* (PK102). This course includes some content on record email and SMART where instructors discuss using record emails and provide practice. This course instructs students that emails often need to be saved as records, but not necessarily as record emails. A SMART overview class, including record emails, is taught by an instructor from the School of Applied Information Technology (SAIT).

- *Files and Records Management (PK207)*. A 1-day classroom course on records management for all levels of Department employees, including direct-hire Foreign Service, Civil Service, and Locally Employed Staff. This course is also open to Department third-party contractors who handle files and records management. The classroom and FSI courses are the Department's principal means of instructing employees on the principles and practices of records management.
- *TAGS and Terms (PK324)*. A distance learning (DL) course which FSI is in the process of revising to include information on record emails.
- Orientation Courses: Trainees in *Limited Non-Career Appointment Orientation (PN151)*, *Orientation for Foreign Service Officers (PG101)*, and *Orientation for Foreign Service Specialists (PN106)* are required to take the online course *SMART Messaging: A Course for Users (PS530)*, which covers record emails. In the Foreign Service writing modules, the instructor also discusses both the mechanics and importance of record emails in a general way.
- *SMART Messaging: A Course for Users (PS530)*. Distance Learning Webinar. This course provides online training for end-users of the SMART application. Areas of discussion include the following: Introduction, Overview, Working Messages, Archive Messages, Other Features and SMART Search.

- *SMART End-User Training (PS531)* - Instructor-led and Distance Learning Webinar. Provides an overview of SMART, including configuring a SMART account, SMART archive messages, SMART mailbox management, and SMART searches.
- *SMART Messaging: A Course for System Administrators (PS532)* Distance Learning LearnCenter. Prepares SMART Systems Administrators in the proper administration and maintenance of the SMART environment.
- *SMART System Administrator: Messaging Operations (YW533)*. For systems administrators only. Prepares Information Management Specialists to perform all post-management functions in SMART.
- *Political/Economic Tradecraft (PG140)* includes a SMART overview class (equivalent to PS531), including record emails.

**Questions for the Record Submitted by
Representative Kay Granger (22)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

Are all Department of State employees, including appointees and other top officials, required to attend records management training?

Answer:

Currently, Department employees are not required to take a general records management course. Employees and/or their staffs receive training on specific aspects of record keeping and proper handling of information, and the Department maintains a robust online resource with records management materials. Employees with original or derivative classification authority take a course on the proper marking of classified and sensitive but unclassified information to ensure appropriate safeguarding and handling, both in electronic and in a paper environment. Another course provides employees with the skills and knowledge necessary to comply with laws and regulations by identifying and protecting Personally Identifiable Information (PII).

The Department has worked with the Foreign Service Institute (FSI) to ensure other up-to-date training on records management is available. Elective

courses related to records are available from FSI, such as Records and File Management, and Records Retention. Many of these courses are online and can be taken from any computer. See also Question for the Record 21 for additional courses.

The Department additionally provides records management materials to all Department employees or their staff; the Records Management Office of the Bureau of Administration has many valuable online resources.

There are also designated records liaisons in Department bureaus and at overseas posts who can provide guidance.

In March, Secretary Kerry asked our Inspector General to look into our records management practices; we look forward to hearing the results of this review to improve our records methodology, and will evaluate any recommended training.

**Questions for the Record Submitted by
Representative Kay Granger (23)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

What is being done to address the Office of Inspector General's March 15 finding that Department of State employees have not received adequate training or guidance on their responsibilities for using existing systems to preserve "record emails"?

Answer:

In March 2015, the Bureau of Human Resources (HR), in coordination with the Bureau of Administration (A) and the Foreign Service Institute (FSI), convened a working group to begin developing proposals for *requiring* Department of State employees to take courses on records management, both an introductory course and a refresher course. However, for now the working group is holding off on a training proposal because of the OIG inspection of State Department records management practices requested by Secretary Kerry in March. The working group will reassess training requirements in light of any recommendations from the OIG.

**Questions for the Record Submitted by
Representative Kay Granger (24)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

Which Department of State official(s) are charged with ensuring agency compliance with Federal Records Act provisions and regulations as well as ensuring appropriate training on records management for all employees?

Answer:

Federal Records Act: The Office of Information Programs and Services (A/GIS/IPS) serves as the Secretary's delegated records authority with responsibility for implementing all aspects of the Federal Records Act. As such, A/GIS/IPS ensures Department-wide compliance with the life-cycle management of all Department records (1 FAM 214.2(d)).

The Records and Archives Management Division (A/GIS/IPS/RA) administers the Department's records management program through a network of designated records liaisons in Department bureaus and overseas posts. Under 5 FAM 414.4 and 5 FAM 414.5, domestic bureaus and overseas posts are responsible for implementing and administering the records policies, standards,

systems, and procedures issued by the Department's Records Officer, beginning with those set forth in 5 FAM 400 and 5 FAH-4.

Training: To ensure appropriate training for employees, 5 FAM 414.2 *Department of State Records Office*, states that, "The Director of the Office of Information Programs and Services (A/GIS/IPS) is designated the Department's Records Officer and is responsible for seeing that the Department and all of its component elements in the United States and abroad are in compliance with Federal records statutes and regulations and meet the objectives set forth in 5 FAM 413." A/GIS/IPS also works with FSI and HR on such training requirements; see answers to Questions for the Record 21 and 22.

The Director of the Office of Information Programs and Services also coordinates records activities with other Federal and regulatory agencies, including NARA, the Office of Management and Budget (OMB), the General Services Administration (GSA), and the Government Accountability Office (GAO), and the Office of Personnel Management (OPM).

**Questions for the Record Submitted by
Representative Kay Granger (25)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

What changes, if any, has the Department of State implemented, or planned to implement, to internal records management procedures?

Answer:

The Department of State is working to meet the goals of the President's Managing Government Records Directive. The Department has issued guidance to all Department employees, including Senior Officials, reminding them of their overall records management responsibilities, including email, and issued a directive to preserve electronically the email of Senior Officials upon their departure from the Department. The Department has also issued a Department Notice on records responsibilities and policy that reiterates and clarifies employee responsibilities. The Department is also reviewing email management options for the Department through an Electronic Records Management Working Group established by the Under Secretary for Management. We will also evaluate any recommendations made by the Office of Inspector General based on its ongoing review of our record management.

**Questions for the Record Submitted by
Representative Kay Granger (26, 27 and 28)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

26. What penalties could Department employees face were they to disregard Department of State internal guidelines governing policies on matters of records management and the use of electronic mail?

27. Who is charged with enforcing Department records management requirements and levying penalties when appropriate?

28. Are all employees of the Department, including senior leadership, bound by the same guidelines, and if so, under what potential penalties?

Answer:

Managing records properly is everyone's job. Every employee has two basic responsibilities in this regard:

1. To create records that the employee and others need to do business. It is very important to record decisions and actions taken.
2. To take care of the records so that they can be found when needed. This means setting up good records management systems.

As with many of the Department's policies, an employee's failure to comply could result in a variety of responses, depending on the circumstances. As a first step, poor record-keeping would be the subject of counseling by one's supervisor.

More serious offenses involving records could be subject to more serious discipline. In its Foreign Affairs Manual (FAM), the Department has set out its policies for appropriate email use and records management. The FAM also includes a list of offenses for which an employee can face discipline, again, depending on the circumstances.

These offenses could include failure to follow proper instructions and conduct demonstrating untrustworthiness, unreliability, or use of poor judgment. The Department takes security of its classified information very seriously, and improper handling of classified/administratively controlled information can, if the circumstances warrant, result in disciplinary action or adverse action to an employee's security clearance.

Discipline is the responsibility of the employee's supervisor, who coordinates with the Bureau of Human Resources. Penalties can fall within the range of a Letter of Reprimand to suspension to removal. In cases where

deliberate or negligent failure to comply with rules and regulations for protecting classified or other sensitive information raises doubt about an employee's reliability or ability to safeguard such information, the Bureau of Diplomatic Security has the authority to adjudicate appropriate security clearance actions.

**Questions for the Record Submitted by
Representative Kay Granger (29)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

The Foreign Affairs Manual states, "It is the Department's general policy that normal day-to-day operations be conducted on an authorized AIS (Automated Information System), which has the proper level of security control to provide nonrepudiation, authentication, and encryption, to ensure confidentiality, integrity, and availability of the resident information".

Question 29 a:

In light of this, to what extent are State Department employees currently permitted to use personal electronic devices to conduct government business?

Answer:

The Foreign Affairs Manual excerpt provided is from 12 FAM 544.3(a).

Several additional subparagraphs (b through h) describe conditions and considerations for how to handle electronic transmission of Sensitive but Unclassified information via the Internet including when approved secure methods are unavailable or impractical.

For example, 12 FAM 544.3(h) states that:

"All users who process SBU information on personally owned computers must ensure that these computers will provide adequate and appropriate security for that information. This includes:

- (1) Disabling unencrypted wireless access;
- (2) The maintenance of adequate physical security;
- (3) The use of anti-virus and spyware software; and
- (4) Ensuring that all operating system and other software security patches, virus definitions, firewall version updates, and spyware definitions are current.

Additionally, the Department operates a remote access capability that affords the necessary protections and allows use of personally owned devices to connect. Information is contained within a non-persistent protected area of memory created when connecting to the Department's network.

Question 29 b:

If such permissions exist, do they extend department-wide or are they applicable to only certain employees, such as senior leadership?

Answer:

Such permissions are Department-wide; see 12 FAM 544.3(h).

Question 29 c:

If the Department does allow the use of personal electronic devices, what steps are taken for ensuring they have the proper level of security control?

Answer:

In addition to 12 FAM 544.3, section 12 FAM 682.2-5 describes user responsibilities, including technological requirements, when employing personal computing devices for remote access. 12 FAM 682.2-5 sets out guidance for remote access in a public place, including locking and logging out procedures; use

of a home computer including basic security controls such as firewalls, antivirus protection, and file destruction; and use of wireless capabilities to include NIST certified encryption algorithms.

Question 29 d:

Does the department maintain a list of approved personal electronic devices, or are approvals made on a case-by-case basis?

Answer:

No. Approvals of personal electronic devices are not required, as the remote access solution is device agnostic.

Question 29e:

What steps are taken to ensure the appropriate retention of “record emails”?

Answer:

The Department is working to apply a system that meets NARA requirements for the management of emails by the end of 2016 as required by the President's Managing Government Records initiative.

The Department is currently automatically journaling (saving) Secretary Kerry's emails. Any email sent or received on his state.gov account is automatically copied and remotely saved electronically. The practice was recommended in best practices guidance from NARA in August 2013, although the

Department had begun journaling the Secretary's emails when it created his account.

In addition, the Department is currently journaling the email accounts of dozens of senior staff including the Deputy Secretaries, Under Secretaries, several senior advisers, as well as the Secretary's staff ranging from his Chief of Staff to assistants who handle paper for the Secretary.

Record email is a term of art related to the State Messaging Archive and Retrieval Tool. The record email tool enables any user to preserve an email record in the archive without it needing to be an official cable.

We will also consider any recommendations that the Inspector General may make as a result of its ongoing review of our records management.

**Questions for the Record Submitted by
Representative Kay Granger (30)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

Given the rapid evolution in the means and methods of communicating, when was the last time the guidance on email communications in the Foreign Affairs Manual was updated and or modified to reflect current technologies?

Answer:

The Foreign Affairs Manual (FAM) has been updated to reflect the Department's increased use of email to communicate.

- Our Electronic Mail Policy (5 FAM 750) was updated in November 2011.
- The FAM for the State Messaging and Archive Retrieval Toolset (SMART) (5 FAM 1200) was updated in March 2012, including Record Email (5 FAM 1214.3).
- The Foreign Affairs Handbook (FAH) has also been updated for electronic communications, including Working Emails (5 FAM-1 H-900) in January 2014; Archive Messages (5 FAH-1 H-200) in July 2014; and Preparing Archive Messages (5 FAH-1 H-230) in August 2014.

**Questions for the Record Submitted by
Representative Kay Granger (31)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

What changes/updates to the Department's electronic records archiving processes are planned for fiscal year 2015?

Answer:

The Department is working towards fulfilling the requirements laid out in the Presidential Memorandum on Managing Government Records and the Office of Management and Budget's Managing Government Records Directive. An Electronic Records Management Working Group (ERMWG) was established in October of 2013 and has been meeting regularly to develop a solution for the management of the Department's email records. The ERMWG has been exploring the possibility of adopting the National Archives "Capstone" approach to automate and simplify the management of email records and plans to submit a recommendation for approval by the Department's leadership soon.

Although a long-term solution will be in place by the December 31, 2016 deadline, the Department is working on several shorter term initiatives in 2015 to ensure vital email records are being preserved. In February 2015, the Department began saving all of the email sent and received by 85 of our most senior officials on our OpenNet and ClassNet networks. A new email client is currently being developed. After conducting focus groups and a brief pilot, we plan to deploy it by the end of the fiscal year.

**Questions for the Record Submitted by
Representative Kay Granger (32)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

Please describe the goals and costs of these updates and the timelines for completing them.

Answer:

The short-term updates we are undertaking are intended to make it easier for employees to preserve important email records in the Department's messaging archive. The journaling of our senior leadership's email accounts will ensure that these vital records are being preserved while also providing lessons learned as we move towards a more comprehensive solution for all of the Department's email records in 2016. Currently, we expect that the costs associated with these short term updates will be absorbed within our existing IT budget.

Questions for the Record Submitted by

**Representative Kay Granger (33)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

What action(s) did the Department take with respect to the deficiencies identified in the Office of Inspector General's September 2012 review of the Office of Information Programs and Services in the Bureau of Administration's Office of Global Information Services?

Answer:

The Department took very seriously the September 2012 Inspector General (IG) report on the Office of Information Programs and Services in the Bureau of Administration, Global Information Services (A/GIS/IPS). We believe we have made significant improvements, especially in light of significant issues posed by the increasing burden of FOIA and other requests.

The staff of A/GIS/IPS work extremely hard and are dedicated to FOIA and records management. They face many challenges, especially as email becomes a bigger part of our work. But we are working to get better.

We have closed 43 out of 55 of the IG recommendations. A few highlights of our actions follow:

Improved External Communication

- Website: We launched foia.state.gov in 2013. It provides better guidance to the public to make it easier to submit FOIA requests.
- FOIA Reading Room: We have overhauled our FOIA reading room, which has almost 100,000 documents online.
- We are very close to meeting our target to declassify 300,000 pages per month. We have been at 90% of that goal, and in fact achieved 300,000 pages in March 2015.

Improved Internal Communication

- A/GIS has increased its internal collaboration and communication. We have increased the number of meetings with managers and staff, and launched an internal tracking database to keep better track of FOIA projects.

- We have also improved our training to bureaus, which are responsible in the first instance for conducting FOIA searches.

Improved Training/Staffing/Technology

- A/GIS has identified key hiring priorities to assign more and better resources to our FOIA challenge, and those priorities were incorporated into an overall hiring plan for the A Bureau
- We have launched FREEDOMS 2 software, improved user training, and dedicated a group to ensuring that our FOIA IT needs are being met.

Federal Records Management

- We are working diligently to meet the goal, established by the President and led by the National Archives to manage records electronically by December 2016.

**Questions for the Record Submitted by
Representative Kay Granger (34)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

Please provide the funding levels for the Office for fiscal years 2013, 2014, and 2015, and the requested level for 2016?

Answer:

A/GIS funding levels by fiscal year for the FOIA program are as follows:

(in thousands)			
FY2013	FY2014	FY2015	FY2016 – requested
\$14,548	\$13,932	\$13,932	\$13,932

**Questions for the Record Submitted by
Representative Kay Granger (35)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

In a March 10, 2015, transparency scorecard published by the Center for Effective Government, a transparency watchdog organization, the Department of State received the lowest grade of the 15 executive branch agencies examined for Freedom of Information Act (FOIA) request responsiveness. What accounts for the Department's low rating?

Answer:

We acknowledge that the Department faces significant challenges in processing the increasing number of FOIA requests that we receive. First, we are struggling to keep up with a large increase in FOIA requests. Since 2008, our caseload has increased over 300 percent. In Fiscal Year (FY) 2008, the State Department received fewer than 6,000 new FOIA requests. In FY 2014, we received nearly 20,000. Since the beginning of FY 2105, we have already received over 15,000 new requests.

Second, many of these cases are increasingly complex. The State Department is the public's first, and often the only, stop for information and

documents relating to national security issues. Other national security agencies are exempt from release of some information under the FOIA. As a result, requesters often come only to the Department to request information on any and all national security issues. These requests are often a mixture of complex subject matters regarding terrorism, wars, foreign government relations, security, and diplomacy. These complex subject matters require multiple searches throughout many of our 275 Missions across the globe, often involving the review of classified or highly sensitive materials, as well as coordination with other federal agencies.

We would also like to note a few reasons why this report should not stand on its own as a fair assessment of the accomplishments the Department has achieved. The report looked at three different areas in order to assign grades. These included the establishment of clear agency rules guiding the release of information and communication with those requesting information; the quality and “user-friendliness” of the agency’s FOIA website; and the timely, complete processing of requests for information. To determine the bulk of the grade, the Center for Effective Government (CEG) scored data in the FOIA annual report, and then identified best practices as they determined should be found in all agencies’ FOIA regulations, and finally, the last part of the grade was based on reviewing the agency’s website.

The Department of State is one of the only agencies of the U.S. government that deals with national security information, but that does not have a specific statute on which it can rely to protect that information. That means that requesters who are seeking information, for example, about activities in which the intelligence community or the National Security Council are involved often submit their requests solely to the State Department, because we are the ones most likely to have information that is actually subject to FOIA.

That same collaborative relationship means that our documents require a great deal of consultation across the interagency. This process takes time, but it is essential to ensure that information related to the national security is properly protected while simultaneously providing the public with as much material as is appropriate for public release.

As an agency that routinely deals with classified information and thousands of cases involving sensitive information that must be treated as confidential by statute, it should come as no surprise that we grant requests in “full” less frequently than other agencies, since we are also charged with protecting information, the disclosure of which could harm the national security.

The grade does not provide context for how the Department's FOIA program is different from other agencies. The scorecard's methodology also does not reflect the positive achievements of FY 2013:

- We achieved backlog reduction goals. The Department processed over 21,000 FOIA requests in FY 2013. In the referenced report, which reviewed results from the Department's FY 2013 annual report, the Department achieved a reduction in FOIA backlog of approximately 17%, which exceeded the 10% backlog reduction goal recommended in the Open Government Initiative.
- Understanding why the simple request track has delays: The Department's track for simple requests includes requests that the Department receives directly and documents referred to the Department by other agencies for direct response to the requester. In FY 2013, the Department received over 10,000 simple cases for processing referred by the Department of Homeland Security. These cases composed more than 50% of all incoming requests and account for the majority of cases in the simple request track. Though possibly simple by FOIA standards, the volume of referrals stymies efforts to process the cases quickly.

The Department is in the process of updating its FOIA regulations. That does not mean the communication aspect of the regulations is unfulfilled. As the FOIA website has become the focus of attention for the Department's FOIA requesters, information that is being updated in the regulations is already found on the website to assist requesters through the process. Though we temporarily do not have all updated details in the regulations, our website provides even more helpful information to requesters.

The Department's FOIA website has received rave reviews, including from many in the requester community regarding the redesign of our FOIA Website. The referenced report is the only instance of the Department receiving an average grade with regard to the website. The Justice Department and civil society groups have lauded the Department's FOIA website, which makes over 96,000 FOIA-processed documents publicly available, as a model website. Additionally, the FOIA Program also was given green lights for our "Use of Advanced Technology to Increase FOIA Efficiency" and was mentioned in DOJ's Report for "making [Department's] web-site more useful to the public. In March 2015, as part of an evaluation of eFOIA and public websites, the Department's FOIA Program was also given an "E-STAR" by the National Security Archive for our FOIA Public web-site and for the site serving "as an example for other agencies."

**Questions for the Record Submitted by
Representative Kay Granger (36)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

Please provide the Committee with funding levels for fiscal years 2013, 2014, and 2015, and requested for fiscal year 2016, for the office, or offices, that respond to FOIA requests.

Answer:

Funding levels by fiscal year for the FOIA program, including A/GIS/IPS and other offices, are as follows:

	(in thousands)			
Unit	FY2013	FY2014	FY2015	FY2016 request
A/GIS	\$14,548	\$13,932	\$13,932	\$13,932
DS	\$689	\$1,175	\$1,175	\$1,175
CA	\$491	\$630	\$630	\$630
HR	\$168	\$177	\$177	\$177
MED	\$10	\$20	\$20	\$20
L/M	\$21	\$33	\$33	\$33
Subtotal	\$15,927	\$15,967	\$15,967	\$15,967
Litigation	\$884	\$2,075	\$2,075	\$2,075
Total State	\$16,811	\$18,042	\$18,042	\$18,042
OIG	\$238	\$292	\$292	\$292

Grand Total	\$17,049	\$18,334	\$18,334	\$18,334
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**Questions for the Record Submitted by
Representative Kay Granger (37)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

In August 2013, the Committee was informed as part of an inquiry concerning FASTC that it was working with OMB to further refine the initial cost estimates for a hard-skills consolidated training center at Fort Pickett and to evaluate whether capacity exists at the Federal Law Enforcement Training Center (FLETC) in Georgia. Please provide the Committee with the results of this analysis, as well as the results of any analyses that were completed on existing training facilities used by the State Department.

Answer:

For more than five years, the Department has been working to consolidate security training functions at one site; currently the Department trains at 19 separate locations. In 2012, the Department identified Fort Pickett near Blackstone, Virginia, as the preferred site for FASTC for its proximity to Washington, DC, its available and sufficient acreage for construction, its compatibility with existing uses, and its capacity for 24/7 operations.

In early 2013, all efforts and work on the proposed site at Fort Pickett and Nottoway County's Local Redevelopment Authority (LRA) area was put on hold pending additional due diligence and reviews at an existing federal training site in

Georgia. As part of this due diligence effort, the Department conducted site visits to the Federal Law Enforcement Training Center (FLETC) in Glyncro, Georgia. As part of our analysis, we factored in “hard costs,” such as operating costs, transportation and construction of the necessary facilities for our training requirements. Our analyses show more than \$80 million in additional air and transportation costs for the first 10 years alone using FLETC versus chartered bus transportation to Fort Pickett. Furthermore, in October 2013, the Department and FLETC developed a consensus document that outlined what would need to be built at FLETC to have the same capacities as FASTC. It was determined that only five of the 47 requirements for FASTC could currently be met using existing FLETC facilities, which therefore would require 90 percent of the requirements to either be newly constructed or modified.

In April 2014, the earlier Department selection of the proposed site for FASTC at Fort Pickett and Nottoway County was reaffirmed. Planning for the site resumed based on a reduced scope of requirements compared with the 2012 plan. The project would now proceed as a hard skills only facility, which consists of high-speed driving tracks, weapons firing ranges, mock urban environments, explosives ranges, and associated classrooms and administrative support functions. Several hard skills training venues have been consolidated and reduced. Soft skills training, such as training for technical security programs and information assurance programs, and life support functions, such as dormitories and dining facilities, have been eliminated from the program.

**Questions for the Record Submitted by
Representative Kay Granger (38)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

What are the factors that led the Department and GSA to select the Fort Pickett site for FASTC?

Answer:

For more than five years, the Department has been working to consolidate security training functions at one site. A consolidated facility near Washington, DC will improve training efficiency, decrease operating costs, and generally improve the way we protect our diplomats and development experts overseas. To accomplish this, the Department and the U.S. General Services Administration (GSA) have invested considerable time and effort in reviewing over 70 properties, including the Federal Law Enforcement Training Center (FLETC) site in Glynco, Georgia. We also looked at sites such as Quantico Marine Base and Fort AP Hill in Virginia, and Aberdeen Proving Ground in Maryland, none of which had available acreage. Through this process, we identified 1,500 acres of land on and adjacent to Fort Pickett, an under-used military base located in Blackstone,

Virginia, within 2 ½ hours driving distance of the Department's Washington, DC headquarters.

In 2011, Fort Pickett and contiguous acreage was selected as the preferred site for FASTC. In early 2013, all efforts and work on the proposed site at Fort Pickett and Nottoway County's Local Redevelopment Authority (LRA) area was put on hold pending additional due diligence and reviews of FLETC. As part of this due diligence effort, the Department conducted several site visits to FLETC, working with FLETC staff to determine if the Department's hard-skills security training requirements could be met there. Hard costs, such as operating costs, transportation and construction of the necessary security training facilities were considered in the analysis.

In addition to the Department's own need assessment for FASTC, this requirement was validated by the independent Benghazi Accountability Review Board, which recommended training a broader range of foreign affairs personnel. The independent Management Review Panel and the Best Practices Panel examined how best to operate in high-threat, high-risk environments; both panels recommended a consolidated training center, located within close proximity to the Department's Washington, DC headquarters location "to capitalize on the interagency synergies necessary to ensure closer collaboration, collective responsibility, joint exercises, and innovative approaches" (Best Practices Panel

Report). Such a facility will ensure the foreign affairs community, Diplomatic Security employees, and interagency security professionals are properly prepared when serving not only at high-threat posts, but also within the evolving overseas environment.

The Department also benefits from synergies, such as proximity to employees, other training venues, and our interagency partners such as the Marine Corps units at Quantico, Virginia, which would reduce costs for all entities. The Fort Pickett location allows the Department to maintain and strengthen relationships by its proximity to the Department and interagency partners' training facilities, including Department Headquarters, National Foreign Affairs Training Center, Department of Defense (DoD), and the Intelligence Community. The evolving overseas security mission mandates a stronger emphasis on DoD coordination and collaboration. It is this partnership that the Department must strengthen in areas of training, planning, contingency support, transportation, logistics, emergency response, and evacuations to operate in foreign countries. To separate FASTC from the mid-Atlantic region would be detrimental to both the quality of training that can be successfully achieved and to the interagency partnerships the Department critically relies on to keep U.S. government personnel safe overseas while advancing U.S. interests.

FASTC at Fort Pickett is the best selection for its proximity to Washington, DC, its available and sufficient acreage for construction, its compatibility with existing uses, and its capacity for 24/7 operations.

**Questions for the Record Submitted by
Representative Kay Granger (39)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

The FY09 budget included funds for land acquisition and site preparation work for a consolidated training facility proximate to the current leased facilities at Summit Point, WV. Why did the Department decide not to proceed with that site?

Answer:

As part of the original 2009 site selection process, over 30 sites were reviewed by the General Services Administration (GSA) and the Department, including Bill Scott Raceway (BSR), and it was determined that BSR did not meet the Department's hard-skills security training needs. The Department has hard-skills venue requirements that are not present at Summit Point in West Virginia, nor is it realistic to expect that Summit Point can almost double its size (about 750 acres) to match the approximate size of the FASTC site at Fort Pickett (about 1,400 acres). Further, issues remain at BSR concerning the exclusive availability of track/range use, noise abatement, night training, and overall capacity to meet the Department's hard-skills security consolidated training needs.

FASTC will be a purpose-built, fully-integrated facility, capable of 24/7 training operations. Fort Pickett has no night time “quiet hours” training restrictions or other noise abatement issues. The Fort Pickett site will enable DS to have full scheduling control of three driving tracks on a 24/7 basis, with no concerns about other U.S. government or commercial clients, long distance firearms ranges up to 1,000 meters, a Mock Embassy approximately twice the size of the interim structure at Summit Point, three separate explosives ranges that fully meet federal safety requirements, access to an adjacent military/civilian operating air field capable of taking military aircraft and Department chartered aircraft, a live fire shoot house, a half mile long explosives simulations alley, a large, purpose-built urban training area, and other advantages that enhance DS training for today’s overseas operating environment.

**Questions for the Record Submitted by
Representative Kay Granger (40)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

In December 2009, the Department informed the Committee that the General Services Administration and the Department had selected a site in Queen Anne's County, MD as the preferred site for FASTC. Why did the Department decide not to proceed with that site?

Answer:

The National Environmental Policy Act requires Government agencies to consider the impacts of their proposed actions. In 2009, the General Services Administration (GSA) and Department began working on an Environmental Assessment to determine the impacts of locating the proposed Foreign Affairs Security Training Center at the selected site in Queen Anne's County (QAC), MD. In June 2010, GSA and the Department determined that the FASTC program was incompatible with the QAC site, primarily because of noise issues and incompatibility with 24/7 operations, and withdrew it from further consideration.

**Questions for the Record Submitted by
Representative Kay Granger (41)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

What is the current estimate of the cost of FASTC? Will the site include housing and dining facilities? Will it consolidate all Diplomatic Security training sites? If not, please itemize which of the current sites will be consolidated and which will continue to provide training to agents and diplomatic personnel.

Answer:

The project costs going forward for the Foreign Affairs Security Training Center (FASTC) are \$413 million. Housing will not be included in the program. Dining has been reduced to a 5,000 square foot café with retail food service.

Diplomatic Security (DS) currently utilizes contracts with or pays for the use of 11 sites to conduct its standard hard-skills training, and plans to consolidate the activities of 10 of them at FASTC, at Fort Pickett. These sites cumulatively account for several dozen firearms ranges of varying lengths, multiple explosive training pads and simulation areas, various specialized tactical training facilities such as live fire shoot houses, etc. The sites and training conducted at those sites are listed below. DS would continue to use only Venue 1 below, while Venues 2-11 will be gradually phased out during the 2017- 2019 period.

1. Federal Law Enforcement Training Center Cheltenham, Cheltenham, MD

An indoor range complex utilized for standard firearms re-qualifications for agents in the Washington, DC area. DS plans to continue to use this facility on a limited basis for re-qualifications.

2. Marine Corps Base Quantico, VA

DS utilizes Marine Corps Base Quantico long distance firearms ranges. The longest firearms range at Summit Point (see #3 below) is 100 meters. DS has requirements that extend out to 800+ meters.

3. Interim Training Facility/Bill Scott Raceway, Summit Point, WV

DS conducts multiple types of training at this site, including firearms, driving, explosives, fire as a weapon, first aid (responder), defensive tactics, Embassy defense scenarios, tactical training in urban environments and room clearing. Anti-Terrorism Assistance (ATA) Quick Reaction Force training will commence in June 2015. However, Summit Point has noise abatement and night training rules that impede 24/7 training. DS conducts night training (currently at different venues) between 190-200 nights per year depending upon course schedules. Also, upon consolidation, DS will require the use of three high-speed driving tracks on an exclusive basis simply to meet its own training needs.

4. U.S. Training Center (Academi), Moyock, NC

DS/ATA utilizes this site for crisis response training (SWAT type training) for foreign nationals. The site has multiple ranges, driving track, live fire shoot houses (not present at Summit Point), several urban training areas and explosive training areas.

5. O’Gara Training Center, Montross, VA

DS/ATA utilizes this site for explosives training for foreign nationals. Additionally, and as with Academi, the site has multiple ranges, a live fire shoot house, driving track, a large tactical urban training area and multiple explosive training areas.

6. Alcohol, Tobacco, Firearms and Explosives (ATF) Huntsville, AL

DS Regional Security Officer students take Post-Blast Investigative training at this site. Summit Point has one blast range. Cumulative DS explosives training will require a minimum of three, with federal safety standards incorporated in their construction and operation.

7. Mid-South Institute of Self-Defense Shooting, Memphis, TN

DS Office of Mobile Security Deployments (MSD) utilizes this site for advanced firearms training. It has specialized tactical shooting venues not present at Summit Point.

8. Combat Shooting and Tactics, Nacogdoches, TX

The office of Mobile Security Deployments (MSD) utilizes this facility for multiple firearms and tactical training. It possesses ranges up to 800 yards and a range available to shoot from vehicles. As noted, Summit Point's longest range is 100M, and the capability to shoot from moving vehicles does not exist.

9. Virginia Ki Society, Fairfax, VA

A gym used on an intermittent basis by DS/MSD for defensive tactics training. The current mat rooms at the DS Interim Training Facility at Summit Point cannot accommodate consolidated training of MSD and ATA.

10. Panthera Training Center, Moorefield, WV

DS/MSD currently conducts most of their specialized training at Panthera. The facility has five flat ranges (50 yards to 800 yards), a live fire shoot house, a driving track, off-road course, urban training area, and three simunition training "houses." Summit Point does not have the ranges, shoot house or quantity of simunition training areas.

11. Fort AP Hill, VA

DS coordinates with the Asymmetric Warfare Group (AWG) for use of their urban training area to conduct joint DOD-DS CAPSTONE exercises (a three day 24/7 exercise conducted approximately 5 times per year as the culmination of the 10 week High Threat Operations course). This exercise

requires night training and generates loud noise due to night time helicopter operations and the use of loud training munitions such as artillery simulators and blanks fired from belt-fed weapons such as machine guns.

DS is currently developing a transition plan to move hard-skills training from Venues 2-11 to Fort Pickett as the several construction phases are completed.

**Questions for the Record Submitted by
Representative Kay Granger (42)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

How much prior year funding is available for the project? Of that amount, how much has been obligated, and of that amount, how much has been expended?

Answer:

The total project costs going forward for the Foreign Affairs Security Training Center (FASTC) are \$413 million, of which some funding has already been appropriated. Of the money appropriated to date, the Department has obligated \$135.5 million for FASTC, of which \$70 million was from Diplomatic and Consular Programs (D&CP) appropriations provided in the American Recovery and Reinvestment Act, and \$65.5 million was from prior year D&CP appropriations for the Worldwide Security Program. All funds have been obligated on a reimbursable work order to the General Services Administration (GSA). As of the date of the hearing, \$17 million has been expended.

**Questions for the Record Submitted by
Representative Kay Granger (43)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

House Report 113-499 directed the Department of State to notify the appropriate congressional committees prior to any obligation or expenditure of funds for the FASTC project, including funds appropriated by the American Recovery and Reinvestment Act. What is the Department's timeline for notifying the Committee of any funds that will be obligated or expended?

Answer:

Regarding the language in the Joint Explanatory Statement accompanying the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2015 (Div. J, P.L. 113-235), all funds currently being expended towards the Foreign Affairs Security Training Center (FASTC), including the Supplemental Environmental Impact statement, were obligated in FY 2009 and FY 2010, in accordance with applicable congressional notification requirements. Expenditures of funds previously obligated for FASTC are not subject to further notification. Future obligations for FASTC will be in accordance with applicable congressional notification requirements.

**Questions for the Record Submitted by
Representative Kay Granger (44)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

Please provide for the Committee the annual funding levels for the Pickering and Rangel Fellowship programs for FY12 through the FY16 request.

Answer:

The annual funding level for the Pickering and Rangel Fellowship programs for FY12 through FY15 was \$7.35 million per year. For FY16, the funding request has remained unchanged.

**Questions for the Record Submitted by
Representative Kay Granger (45)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State, Foreign Operations
February 25, 2015**

Question:

Has the Department of State conducted any recent reviews of the Pickering and/or Rangel Fellowship programs and have any significant changes been proposed to either program, if so, please describe?

Answer:

The Thomas R. Pickering Foreign Affairs Fellowships and the Charles B. Rangel International Affairs Fellowship were launched in 1992 and 2002, respectively. In 2013, the Department completed a comprehensive review of the fellowship programs. It concluded that these programs contribute significantly to diversity and made a strong recommendation that the Department continue them.

Upon conclusion of the program review, a multi-bureau committee offered fourteen recommendations for improving the success of the programs. The Acting Director General approved these recommendations and the Under Secretary for Management concurred. Many of these recommendations involved standardizing internal Department processes and increasing staffing to better support and administer the fellowship programs. The recommendations also suggested the Department:

- Undertake a detailed review of each program's selection criteria and processes in order to ensure that the Department continues to identify those most likely to result in successful Foreign Service Officers, committed to full careers.
- Reduce the number of undergraduate Pickering Fellows beginning with the 2015 cohort, and increase the number of graduate Pickering Fellows by a commensurate amount, while maintaining the overall number of 30 Pickering Fellows. The study had shown that withdrawals from the program and retention in the Foreign Service were less for those in the undergraduate, vice graduate program.
- Bring the size of both the Pickering and Rangel graduate programs into parity with up to 30 fellows per year per program (funding allowing), beginning with the 2015 cohorts.
- Realign fellowship funding to bring parity to the financial awards provided to each fellow regardless of program.
- Conduct an annual meeting with grantees and Recruitment Office Senior Leadership to review program goals and priorities.

The Department recognizes the long-term impact of these programs on the diversity of the Foreign Service and remains fully committed to investing in their success even in a time of constrained budgets. The 2013 review and our implementation of resulting recommendations reflect this commitment.

**Questions for the Record Submitted by
Representative Mario Diaz-Balart (1)
Secretary of State John F. Kerry
House Committee on Appropriations
February 25, 2015**

Question:

According to numerous press reports, Adriana Perez, a member of the espionage “WASP” network, was artificially inseminated in Cuba while her husband, Gerardo Hernandez, was serving a double life sentence for conspiracy to commit murder and espionage with no access to conjugal visits. According to press reports, in an extraordinary concession to a conspirator to murder and espionage, the United States facilitated the artificial insemination.

- a. Why was this strange concession approved by the State Department to the Castro regime, and specifically, to the only person ever held accountable for the Brothers to the Rescue shoot-down?
- b. Which U.S. government agencies were involved, and at what cost to U.S. taxpayers?
- c. Is there any precedent for the U.S. government, and particularly the U.S. Department of State, facilitating the impregnation of a convicted spy prisoner’s spouse?
- d. Has any country provided that option to a United States citizen or resident?

Answer:

The Cuban government approached the Department of State with a long-standing request to assist Adriana Perez-Oconor conceive a baby with her husband, Gerardo Hernandez. The Department of State facilitated this request as a humanitarian accommodation after consultation with the Department of Justice.

**Questions for the Record Submitted by
Representative Mario Diaz-Balart (2)
Secretary of State John F. Kerry
House Committee on Appropriations
February 25, 2015**

Question:

The 18-month secret negotiation with the Castro dictatorship began in June 2013. The next month, the Cuban dictatorship was caught smuggling 240 tons of weapons, including MiG fighter planes, missiles, and other military materiel disguised under tons of sugar, to North Korea. A UNSC panel of experts condemned this act as a violation of international sanctions. The U.S. Treasury Department sanctioned Ocean Maritime Management Company, Ltd., the Chong Chon Gang Shipping Company and the freighter as a result.

- a) Why did the administration sanction North Korea but not Cuba for this act?
- b) Why was Cuba's violation of international sanctions to aid North Korea's military ignored in the negotiations?

Answer:

With respect to the Chong Chon Gang shipment to North Korea, the Administration has worked to ensure that all those responsible for this egregious violation of UN sanctions pay a price for their wrongdoing. As a result of U.S. pressure, the UN DPRK Sanctions Committee designated Ocean Maritime Management Company (OMM), a DPRK entity that played a key role in managing the Chong Chon Gang, for sanctions in 2014, meaning that all states are now obligated to freeze OMM economic

resources, including by impounding OMM-owned or -controlled vessels, that are located in or enter into their territory.

The Administration worked to maximize the diplomatic cost to Cuba for its role in the incident, including by repeatedly condemning Cuba's role in the violation in meetings of the UN Security Council. We welcomed the UN DPRK Sanctions Committee's release of an Implementation Assistance Notice to publicize the facts of the case and advise states on how to protect themselves from future arms smuggling attempts. The United States worked to ensure this Implementation Assistance Notice made clear Cuba's role. The international community refuted Cuba's claim that this arms shipment was allowed under UN Security Council resolutions.

The United States remains concerned about attempts by North Korea to circumvent international sanctions and strongly condemns, and will continue to condemn, any efforts by states such as Cuba to assist in the illegal evasion of binding decisions of the UN Security Council.

**Questions for the Record Submitted by
Representative Mario Diaz-Balart (3)
Secretary of State John F. Kerry
House Committee on Appropriations
February 25, 2015**

Question:

At the time of the President's Dec. 17 announcement, there have been hundreds of political arrests, including arrests of several of the Ladies in White, members of the Cuban Patriotic Union (UNPACU), and well-known activists Angel Moya, Antonio Rodiles, and labor activists Alexix Gomez Rodriguez, and Pavel Herrera Hernandez.

- a) What assurances have the Obama administration received from the Castro regime that human rights abuses and crackdowns on activists will no longer continue?
- b) What are the consequences to the Castro regime if human rights abuses and crackdowns on activists do continue?
- c) What leverage does the administration still have?

Answer:

We share your deep concern with the Cuban government's continued use of politically-motivated detentions to prevent Cubans from exercising their rights to freedom of peaceful assembly and expression. The Department is constantly monitoring human rights in Cuba. Human rights are central to discussions with the Cuban government and we continue to press for an end to politically-motivated detentions in our conversations with the Cuban government.

We have no illusions about the nature of the Cuban government. As the President said December 17, we do not expect the changes to U.S. policy will effect a transformation in Cuba overnight. However, our previous approach to Cuba had not resulted in the desired changes. We are convinced that, through a policy of engagement, we can more effectively stand up for our values and help the Cuban people help themselves.

**Questions for the Record Submitted by
Representative Mario Diaz-Balart (4)
Secretary of State John F. Kerry
House Committee on Appropriations
February 25, 2015**

Question:

According to numerous press reports, on March 2, 2015, Colombian authorities intercepted a Chinese-flagged ship near the Port of Cartagena loaded with “war materiel” headed for Cuba. The ship’s documentation mentioned nothing of the weapons onboard, and the ship’s captain resisted inspection by Colombian authorities.

- a) Why is the Castro regime obtaining these weapons?
- b) What connection do these weapons have to other terrorist states, rogue states, and terrorist organizations?
- c) What effect does the Castro regime’s direct involvement in weapons smuggling (again) have on normalization?

Answer:

Colombia’s investigation of a Chinese-flagged vessel and its captain, who could be charged under Colombian law for illegal transport of military materials, is ongoing. We appreciate the Colombian government’s efforts to ensure safe maritime transportation throughout the region, particularly for ships that enter populated ports, and transit the Panama Canal. Any failure to properly declare dangerous cargo in this context is of concern to us and should be of concern to other countries in the region.

As the Colombian investigation continues, it would be premature to speculate regarding its outcome.

**Questions for the Record Submitted by
Representative Charles W. Dent (1)
Secretary of State John F. Kerry
Subcommittee on State, Foreign Operations
Committee on Appropriations
February 25, 2015**

Question 1:

Like many of my colleagues on the House German-American Caucus, I have serious concerns about the State Department's decision to reduce by half the funding for the Congress-Bundestag Youth Exchange Program. This historic program is so essential to maintaining the strong relationship between our two countries that Chancellor Angela Merkel raised the issue of the cut on her recent visit to the U.S. Mr. Secretary, can you please explain why the State Department has gone against clear Congressional intent and unilaterally moved funding away from the Congress-Bundestag Youth Exchange Program?

Answer:

The State Department continually looks for ways to enhance the many ways exchanges and other public diplomacy programs can help us reach our policy goals. As the Department adapts to world events and new priorities, we shift our public diplomacy programs accordingly, understanding that we don't have unlimited exchanges to address all our policy goals. Funding previously devoted to the CBYX exchange will be used to support other policy-urgent goals including in Russia, Ukraine and other countries bordering on Russia.

To keep our bonds with Germany strong, CBYX will remain the United States' largest single country youth exchange program in the world, even after the proposed funding reduction. CBYX will still have approximately 328 total annual participants (164 U.S. / 164 German).

The United States supports a broad range of people-to-people exchange programs with Germany in addition to CBYX. Among these are the International Visitor Leadership Program and the U.S.-Germany Fulbright Program. Nearly 21,000 Germans came to the United States in 2013 on the private sector-implemented Exchange Visitor Programs, comprised chiefly of secondary school students and those on internships in the United States.

In addition to exchanges, we devote many other diplomatic, security, and military efforts to our partnership with Germany.

**Questions for the Record Submitted by
Representative Charles W. Dent (2)
Secretary of State John F. Kerry
Subcommittee on State, Foreign Operations
Committee on Appropriations
February 25, 2015**

Question 2:

Since February 2014, when Russian-supported forces unilaterally invaded the Crimean peninsula, the sovereign territory of our ally, Ukraine, the American response to this aggression has frankly been an embarrassment. We seem to have outsourced leadership to the French and the Germans. Mr. Secretary, can you explain why this Administration has failed to lead in response to the Russian aggression against Ukraine?

Answer:

Since Russia's military intervention in Crimea and its subsequent occupation and purported annexation of that Ukrainian territory, the United States has worked closely with our international partners to provide robust political support and assistance to Ukraine while also increasing the costs to Russia for its actions. Our close coordination with European and other partners has enabled a strong, unified international response to Russia's aggression, as highlighted in UN General Assembly Resolution 68/262 which affirmed the international community's commitment to Ukraine's sovereignty, political independence, unity, and territorial integrity.

In addition to our diplomatic efforts, the United States has significantly increased our assistance to Ukraine in support of these goals. We provided a \$1 billion loan guarantee to Ukraine in May 2014 to support its economic stability and to mitigate the impact on vulnerable populations of necessary economic adjustments. We also have provided over \$355 million in other forms of assistance to strengthen Ukraine's security forces, enhance its energy security, diversify its trade, and support other measures that will reduce Ukraine's vulnerability to Russian pressure. This includes the over \$118 million in security assistance that the United States has provided in training and equipment to Ukraine's security forces. In addition, we are developing plans to provide additional security assistance through the European Reassurance Initiative. We will also continue to support a range of political and economic reforms that will enhance Ukraine's resilience in the face of external pressure.

We will continue to stand with Ukraine in its time of need. The Administration has announced our intent to provide Ukraine with a second \$1 billion loan guarantee in the first half of 2015 and, working with Congress, will consider a third loan guarantee of up to \$1 billion and to consider a third \$1 billion loan guarantee in late 2015 if Ukraine continues to make progress on its IMF program and conditions warrant.

We have also led a united response to press Russia to cease its destabilizing activities in Ukraine through sanctions that have had a profound effect: The ruble is down 50 percent. Russia's economy is predicted to go into recession this year. There's been a capital flight from Russia of \$151 billion in 2014. The reason our sanctions have been effective is because we have imposed them together with the European Union, which has a much larger trading relationship with Russia than the United States. And we are poised to impose another round of sanctions on Russia, if Russia and the separatists fail to implement fully their Minsk commitments. That would further increase the strain on Russia's already troubled economy.

**Questions for the Record Submitted by
Representative Charles W. Dent (3)
Secretary of State John F. Kerry
Subcommittee on State, Foreign Operations
Committee on Appropriations
February 25, 2015**

Question 3:

Mr. Secretary, I wrote your office this past December to express my concerns regarding the recent crackdown in Turkey on President Recep Tayyip Erdogan's political rivals. Specifically, the arrests of 27 individuals, including several journalists and media representatives, which appeared to be targeted at stifling criticism of the Turkish government. Reportedly, all those arrested have close ties to Mr. Fethullah Gülen, a political foe of President Erdogan, who has resided in Pennsylvania since 1999. Your Legislative Affairs office responded that the State Department was engaging Turkish officials and issuing public statements on this matter. Can you provide any additional details or updates on what the State Department is doing to promote respect for freedom and democracy in Turkey ahead of their general election this coming June?

Answer:

We remain concerned about Turkish Government interference with freedoms of expression and assembly and the administration of justice, including due process. We continue to follow these developments closely and raise our concerns both publicly and privately. For example, Ambassador Bass gave an interview in January to Turkish newspaper *Sabah* in which he stressed the importance of free expression and the important check by media on government through its investigations and expositions. During a February visit to Ankara, Deputy Assistant Secretary of State for

Democracy, Human Rights and Labor Thomas Melia conveyed similar messages to government officials and a roundtable of journalists. In addition, the Administration continues to engage at all levels with Turkish officials and members of Turkish civil society organizations on democracy and rule of law issues.

**Questions for the Record Submitted to
Secretary John Kerry by
Representative Charles W. Dent (4)
Subcommittee on State, Foreign Operations
House Committee on Appropriations
February 25, 2015**

Question 4:

Secretary Kerry, during both your time in the Senate and as Secretary of State, you have been a champion for programs to fight HIV/AIDS in the developing world. Over the past decade and a half, the Global Fund and PEPFAR have proven highly successful in the treatment and prevention of HIV/AIDS across the African countries hardest hit by the disease. The President's FY 2016 request proposes reducing funding for the Global Fund by \$243 million or 18% from the FY 2015 level.

Given how effective our programs to fight HIV/AIDS have been to date, why would the Administration propose we cut their budget? I understand that our contribution to the Global Fund is subject to a cap under the 2:1 match, but if that is the limiting factor, shouldn't funds in excess of the cap be reallocated to PEPFAR or other HIV/AIDS programs?

Answer:

The Obama Administration's commitment to achieving an AIDS-free generation remains strong both through the bilateral and multilateral investments and partnerships with the partner countries. The FY 2016 request for HIV/AIDS programs under PEPFAR is \$5.7 billion, a decrease of \$244 million (4%) from both the FY 2014 Actual and FY 2015 estimate levels. This includes \$4.6 billion for bilateral HIV/AIDS programs, a 7% increase over FY 2014, including \$300 million for a new Impact Fund, and

on par with the FY 2015 estimate. It also includes \$1.1 billion for the U.S. contribution to the Global Fund, fulfilling President Obama's commitment to the Global Fund's fourth replenishment (2014-2016).

Impact Fund resources will be awarded to PEPFAR-supported countries that take concrete steps, using improved data, to realign their national HIV/AIDS programs to focus on the highest-burden geographic areas, populations, and sites. If pursued aggressively, these steps will position a number of countries to reach epidemic control by the end of FY 2017 – accelerating their progress toward achieving an AIDS-free generation.

The budget also demonstrates the Administration's continued commitment to the Global Fund through a \$1.11 billion investment. The United States remains the Global Fund's largest donor, and this budget fulfills the President's commitment to match \$1 for every \$2 contributed by other donors to the Global Fund over its current replenishment period (2014-2016).

With this budget, the United States, through PEPFAR, will remain a leader in the global HIV/AIDS response and the world's largest donor. Further, the budget will allow the United States Government to maximize its bilateral impact and when combined with that of the Global Fund and other

donors, will accelerate progress toward HIV/AIDS epidemic control and deliver on the promise of an AIDS-free generation. Millions of lives have been saved through deeper collaboration and focused investment with partner governments in the 65 countries with PEPFAR bilateral and regional programs, other donor nations, civil society, faith-based organizations, foundations and multilateral organizations.

Informed by economic and financial data, PEPFAR designs and redesigns sustainable models of service delivery that adapt to changing circumstances. To achieve epidemic control and an AIDS-free generation, PEPFAR is implementing programmatic changes to achieve efficiency gains that deliver greater results for its investments.

**Questions for the Record Submitted by
Representative Charles W. Dent (5)
Secretary of State John F. Kerry
Subcommittee on State, Foreign Operations
Committee on Appropriations
February 25, 2015**

Question 5:

Mr. Secretary, during today's hearing, you spoke favorably about the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP). On the issue of expanding opportunities for trade between the United States and our allies, I believe we are in agreement. However, many Members of both the House and Senate remain doubtful of these proposed agreements. What is this Administration doing to convince skeptics of free trade that the TPP and TTIP are worthy of their support?

Answer:

The President has been clear that TPP, T-TIP, and legislation on Trade Promotion Authority (TPA), are essential to protecting American workers and growing our economy. He has repeatedly highlighted the fact that exporters tend to pay their workers higher wages, and that TPP will allow us to write the rules of the road in one of the world's fastest growing regions. In geopolitical terms, the Administration has emphasized the role that TPP plays as the economic pillar of our rebalance toward Asia. In support of this positive message, officials from across the Administration have engaged directly with lawmakers through hearings, testimony,

briefings, and conversations. The Administration has also engaged with businesses, universities, local officials, media, and other stakeholders in communities throughout the country. My colleagues at the Department of State have gone to places like Dallas, San Diego, Boston, Detroit, Bethlehem, and Miami to listen to the public's concerns, and to have an open and honest dialogue about the strategic and economic importance of these free trade agreements. As the current trade negotiations work toward their successful conclusion, the State Department and other members of the President's team will continue listening to stakeholders and educating the public on the importance of the Administration's trade agenda.

**Questions for the Record Submitted to
Secretary of State Kerry by
Rep. Charles W. Dent (6)
Subcommittee on State, Foreign Operations
Committee on Appropriations
February 25, 2015**

Question 6:

Mr. Secretary, with you serving as Co-Chair of the President's Task Force on Combating Wildlife Trafficking, I want to applaud the Administration's renewed focus on addressing this important issue. I would like to know whether and to what degree you believe airborne intelligence, surveillance, and reconnaissance (ISR) assets could be useful in the pursuit of this goal. Is the Department considering developing and incorporating airborne ISR to detect and track traffickers for Transnational Organized Crimes (TOC) Interagency Policy Committee (IPC) to address transnational wildlife trafficking syndicates?

Answer:

As part of the Department's ongoing review to examine the cost and feasibility of establishing an aviation platform in Africa, we are exploring the suitability and potential impact of utilizing a range of air assets, which could possibly include aircraft that would perform an ISR function. We look forward to sharing details with the Subcommittee once our review is complete. The Department of State's existing programming focuses on sustainable practices of enhancing host country capacity to combat this threat, including gathering evidence, conducting investigations, and

detering wildlife trafficking by apprehending, prosecuting, and convicting criminals.

**Questions for the Record Submitted to
Secretary of State Kerry by
Rep. Charles W. Dent (7)
Subcommittee on State, Foreign Operations
Committee on Appropriations
February 25, 2015**

Question 7:

The House version of the FY15 State, Foreign Operations, and Related Programs Appropriations bill allocated additional resources for the Department of State International Narcotics and Law Enforcement Bureau to expand aviation assets into Africa specifically to combat wildlife poaching and trafficking. While ultimately these additional resources were not included in the final FY15 Omnibus legislation that was signed into law, there was a reporting requirement for the Department to conduct a review on the location, size, and mandate of an aviation asset expansion in the African region. While the Committee eagerly awaits the Department's response, can you offer any insights as to what mix of DoS INL air assets (fixed wing, rotary, etc) would be most appropriate?

Answer:

The Department is currently conducting its analysis in order to provide the required report on the cost and feasibility of establishing an aviation platform in Africa that could combat wildlife poaching and trafficking, perform counter-narcotics operations, support border security, and evacuate personnel from diplomatic facilities if needed. As part of that analysis, we are considering the region's existing capabilities and areas of need. We look forward to sharing our findings with the Subcommittee, including further details on the appropriate mix of INL air assets, once our review is finalized.

**Questions for the Record Submitted to
Secretary of State Kerry by
Rep. Charles W. Dent (8)
Subcommittee on State, Foreign Operations
Committee on Appropriations
February 25, 2015**

Question 8:

The Implementation Plan for the National Strategy for Combating Wildlife Trafficking tasks the State Department as a “Lead Agency and Participating Agency” in those subsections dedicated to detecting and tracking poachers. Can you inform the committee which subordinate organizations in DoS have been tasked to accomplish these missions and how they have been resourced? Has DoS-INL, which has experience managing aircraft, been assigned to this mission, even though it is outside of their narcotics area of responsibility? If not, are a new set of authorities and resources required for them to accomplish this mission?

Answer:

The Bureau of International Narcotics and Law Enforcement Affairs (INL) is the Department of State bureau tasked with activities related to detecting and tracking poachers. Under its existing authorities, INL is engaged on a variety of programs to combat wildlife trafficking, consistent with its mandate to strengthen foreign law enforcement and disrupt transnational criminal networks engaged in wildlife trafficking. INL is resourced under the International Narcotics Control and Law Enforcement (INCLE) foreign assistance funding account and works with international organizations, civil society, the private sector, and host countries to improve

law enforcement capacity to detect, track, apprehend, investigate, prosecute, convict, and imprison criminals involved in wildlife trafficking.

**Questions for the Record Submitted by
Representative Ander Crenshaw (1)
Secretary of State John F. Kerry
House Committee on Appropriations
February 25, 2015**

Question 1:

Mr. Secretary, Millennium Challenge Corporation had its 10th anniversary last year, and now in its 11th year, it has done great work around the world with governments that demonstrate great strides in democratization and other reforms. This year the President's request for MCC is one of the highest percentage increases, if not the highest, in the foreign assistance budget, which demonstrates high confidence in the agency from the Administration. However, MCC has never reached the funding level that was intended when it was created. Mr. Secretary, as you probably know, I am supportive of MCC. Can you discuss why you believe MCC is such a high priority for the Administration, shown by the increased request, and how MCC can evolve in its next phase as an organization?

Answer:

While MCC has yet to be funded at levels intended when it was created, the \$1.25 billion FY 2016 request represents an opportunity to expand on the success of the evidence-based MCC model, including through deeper partnerships in Africa, new partnerships in Asia, and new regional investments, as detailed in MCC's congressional budget justification. Legislative authority for concurrent compacts, also requested in this year's budget justification, would facilitate regional partnerships, unlocking regional economies of scale.

**Question for the Record Submitted
By Representative Jeff Fortenberry
Secretary of State John F. Kerry
Subcommittee on State, Foreign Operations
Committee on Appropriations
February 25, 2015**

Question:

The Siljander amendment is enacted every year as a part of our annual funding bill. It reads “*Provided further, That none of the funds made available under this Act may be used to lobby for or against abortion.*”

The State Department’s annual Country Reports on Human Rights have for some years, at least since 2011, regularly measured each country’s performance in the area of “reproductive rights.” The 2013 report on Kenya judged that that “access to ... reproductive health services was impeded by sociocultural beliefs and practices...” Several years ago, Secretary Clinton asserted that *reproductive health includes access to abortion.*” Despite Secretary Clinton’s comments, please confirm that when the Department analyzes “reproductive rights” in human rights country reports, abortion is never to be considered a part of the term “reproductive rights”? To be in compliance with the Siljander amendment, abortion must be excluded from the term “reproductive health.”

Answer:

The Human Rights Reports (HRRs) do not advocate for or against any policies, but instead report facts that allow the reader to draw conclusions regarding the situation of each country with respect to internationally recognized rights. Reproductive Rights has been a subsection included in the Department of State’s *Country Reports on Human Rights* since 2009. The purpose of this subsection, as articulated in instructions disseminated to posts worldwide, is to report information on “the right of couples and individuals to decide freely and responsibly the number, spacing, and timing of their children, and to have the information and means to do so, and the right to attain the highest standard of reproductive health, free from discrimination, coercion, and violence.” Posts are also asked to “cover legal, social, and cultural barriers, if any; government policy adversely affecting access to contraception, skilled health attendance during

pregnancy and childbirth; emergency health care, including services for the management of complications arising from abortion regardless of whether abortion is legally permitted; coercive family planning practices, including sterilization; and any discrimination against women in accessing sexual and reproductive health care, including for sexually transmitted infections. For countries with high maternal mortality rate (>100 deaths per 100,000 live births), include the major factors influencing material mortality as well as modern contraceptive prevalence rates.”

**Questions for the Record Submitted by
Representative Thomas J. Rooney (1 and 2)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question:

Mr. Secretary, you were not prepared to comment on your private conversations with the President regarding his decision on whether or not to provide lethal assistance to the Ukrainian government; however, can you please explain the policy of the State Department's Directorate of Defense Trade Controls and the Bureau of Political-Military Affairs regarding the approval of licenses to authorize the export of U.S.-origin military equipment acquired through direct commercial sales to the government of Ukraine? How many licenses for transfers have been submitted for approval since the conflict in Ukraine began, and how many have been approved, denied or remains under consideration?

Answer:

The State Department is reviewing direct commercial sales licenses for the export of U.S.-origin military equipment to the government of Ukraine on a case-by-case basis in the context of our Conventional Arms Transfer policy. The Department takes into account regional security, political, economic, democracy and human rights factors. Since the conflict in Ukraine began, 76 cases have been approved, 1 has been denied, 50 have been returned because the application was incomplete or additional information was required, and 31 are under review.

Question:

Please provide details on the State Department's plans to expend the Foreign Military Financing funding provided in the FY15 Omnibus Appropriations bill for

Ukraine should the State Department (or any other relevant agency) change its existing policy on providing the Ukrainian government lethal assistance, either through direct commercial sales or through government to government assistance.

Answer:

We continue to believe that there is no military solution to the crisis. While we continually assess our policies to ensure they are responsive, appropriate, and calibrated to achieve our objectives, our focus from the outset of the crisis has been on supporting Ukraine and on pursuing a diplomatic solution that respects Ukraine's sovereignty and territorial integrity. At the same time, Ukraine has a right to defend itself against continued aggression, and we are currently developing plans to provide additional security assistance to Ukraine. In regard to providing lethal assistance, we continue to monitor the situation closely and remain in constant contact with our Ukrainian counterparts to explore opportunities for defense cooperation. Additionally, the State Department continues to work closely with the Department of Defense in identifying types of assistance that will enhance the capacity of Ukraine's armed forces.

**Questions for the Record Submitted by
Representative Thomas J. Rooney (3 and 4)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question:

To quote the Secretary's statements made in prior budget hearings, I don't believe Russian President Vladimir Putin is just "sort of" reigniting a "zero sum game" with the West. Putin's efforts to "sway nations" is instead, I believe, a deliberate attempt to reignite tensions with the West and the NATO alliance. Through an overt, systematic campaign dedicated to the dissemination of misinformation and conspiracy theories about Western institutions, Russian media peddles its rhetoric by infiltrating the media space serving ethnic Russian populations of the former Soviet states, its own domestic audiences and Western media outlets.

It's my impression that the sources of funding for these activities are haphazard and applied without strategic direction or cohesion across the State Department, the Broadcasting Board of Governors and USAID. Is there a coordinated strategy among the State Department's European missions to strategically expend funds to counter Russian media and propaganda and to serve audiences in greatest need of independent sources of information?

Answer:

The State Department and USAID jointly develop regional and country strategies every three years that are used to inform the development of a joint budget request each year, including funds for the Broadcasting Board of Governors managed by the State Department. The State Department's Under Secretary for Public Diplomacy and Public Affairs and the Coordinator of U.S. Assistance to Europe and Eurasia ensure that public diplomacy and foreign assistance resources,

respectively, are strategically allocated in the region throughout each three-year strategic cycle. In addition, to better respond to Russia's propaganda and misinformation campaign, the State Department's Bureau for European and Eurasian Affairs has established a Senior Advisor position to ensure complementarity of efforts throughout the U.S. government, to strengthen partnerships with our allies, and to support independent media across Europe. In these ways, the United States ensures that resources are strategically allocated to empower journalists and others who provide strong, credible sources of information in the region; broaden the reach of U.S. government messages to Russian-speaking audiences; and targets assistance to strengthen independent media, increase access to information, and help governments targeted by Russian propaganda to counter its impact more effectively.

Question:

U.S. international broadcasting efforts face issues of relevancy and efficacy, particularly in nations that perceive U.S.-branded broadcasting as U.S. "propaganda". At a time when governments in nations like Turkey, Russia and Azerbaijan, to name a few, are penalizing and/or jailing independent media outlets and journalists, how do we reach critical audiences without jeopardizing the lives of journalists? How can we pressure foreign governments, of which the U.S. has a strategic or foreign policy interest in bolstering press freedoms, to abandon policies that restrict these freedoms without simultaneously jeopardizing our investments and involvement in these efforts entirely?

Answer:

The State Department actively works to mitigate both the physical and political threats to journalists and freedom of expression. The fact that there are no convictions in 90 percent of cases involving the murder of journalists, as reported by the Committee to Protect Journalists, is unacceptable to the United States.

In January, Secretary Kerry convened a conference in Washington that brought together journalists, media executives, like-minded governments, foundations, training providers, and NGOs to identify concrete steps that can be taken to address gaps in safety resources available to journalists working in hostile environments. The Department is now in the process of implementing recommendations from that conference, and our hope is to launch a formal campaign around the issue of journalist safety and media freedom later in the year.

We are also expanding our resources for journalist safety training programs. This training, which is currently offered through our SAFE Initiative at regional centers in Central America, Europe, and Africa, offers real-world instruction in physical security, digital security, and psychosocial care to local journalists under threat. By increasing the SAFE Initiative budget, we hope to open additional regional centers around the world, and to expand the number of journalists that are able to participate in the program. The SAFE Initiative has trained about 350 journalists since its inception three years ago.

We share your concerns about the shrinking space for independent media in countries such as Russia, Azerbaijan, and Turkey. We continue to press foreign governments publicly and privately, bilaterally and in multilateral fora such as OSCE to respect freedom of expression, including for independent media outlets and journalists.

Journalists working for the media networks of the Broadcasting Board of Governors (BBG) face risks every day as they report on regions that repress media freedom or which are in conflict. These American and local journalists willingly go into situations of political or military unrest because of their passion and professional drive to uncover and report the truth where it might otherwise be concealed.

The BBG and its networks provide assistance to ensure journalists' safety in a number of ways, including security training, protective gear and briefings for reporters and stringers preparing for dangerous work. Legal counsel and guidance are also provided as necessary when BBG reporters are jailed and prosecuted for reporting activities.

**Questions for the Record Submitted by
Representative Thomas J. Rooney (5)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question:

I believe U.S. support of, and where appropriate investment in, promoting a strong civil society throughout Europe is increasingly vital to counter Russia's efforts to dismantle EU cohesion. The President issued a statement on February 19, 2015 authorizing the Secretary of State to publish on the federal register the report required by the Ukraine Freedom Support Act on our strategy to support civil society in Ukraine, to combat corruption and to support independent media. I don't believe this report has yet been published but can you explain what you anticipate the strategy to entail?

Answer:

At the heart of the United States' policy to support Ukraine's advancement as a free, democratic, and prosperous member of a Europe whole, free, and at peace, is a commitment to support the Ukrainian people in their efforts to consolidate democracy and to build effective, transparent, and responsive state institutions. The Administration shares the view of Congress, as reflected in the Ukraine Freedom Support Act, that supporting civil society and independent media, countering corruption and enhancing government transparency and accountability, and supporting political competition and free and fair political processes are crucial to this effort. The State Department and USAID have consistently targeted assistance programs to support these objectives, which will

remain an integral part of our plans moving forward. President Obama delegated to the State Department certain reporting requirements in the Ukraine Freedom Support Act. The reports are currently undergoing an interagency review process, and we anticipate submitting to Congress shortly the full strategy to support civil society, combat corruption, and support independent media in Ukraine.

**Questions for the Record Submitted by
Representative Thomas J. Rooney (6)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question :

Through the help of Chairman Granger and with bipartisan support in the Senate, the FY15 Omnibus Appropriations bill included funding to support peace and reconciliation on the island of Ireland through the U.S.' contribution to the International Fund for Ireland. We very much welcomed the Secretary's engagement last year through his appointment of Senator Gary Hart as his envoy when the parties in Northern Ireland reached an impasse and the Irish and British Government convened a new round of talks. Thankfully, those talks resulted in the Stormont House Agreement, which helped move some of the outstanding issues forward.

The ultimate success of this Agreement relies still on the vigilance and active engagement of the U.S., Irish and British Governments to ensure that it is implemented. Please provide an update on the status and dollar amount of the U.S. contribution to the International Fund for Ireland (IFI) for FY 2015.

Answer:

The Department has set aside a total of \$750,000 in FY 2015 ESF funding for the International Fund for Ireland (IFI) in the initial FY 2015 levels transmitted to the Committees on Appropriations. While this level of U.S. funding is lower than in previous years, it reflects the substantial reductions to ESF country levels in most of the Europe and Eurasia region in FY 2015 and is the maximum amount that can be justified in light of our current global and regional priorities. As such, resources available for worthy causes such as the IFI are increasingly limited.

At the same time, the United States remains committed to helping Northern Ireland build a strong society, vibrant economy, and enduring peace – through a wide range of programs, as well as the continuing engagement of the Secretary’s Personal Representative Gary Hart. The United States will continue to look for additional opportunities to support the peace process in Northern Ireland, including through grants awarded through the U.S. Consulate General in Belfast and initiatives launched by Special Representative for Global Partnerships Drew O’Brien. We are also optimistic that the IFI will be able to use our FY 2015 contribution to leverage additional international funding for its valuable work with youth through its Peace Impact Programme.

**Questions for the Record Submitted by
Representative Thomas J. Rooney (7 and 8)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question:

Does the Department of State have plans to resume Special Immigrant Visa processing in Embassy Baghdad this year, and what are the conditions that would allow it? I have been working on legislation with Congressman Juan Vargas that would direct the State Department to utilize its existing authority to designate minority religious groups under siege by the Islamic State as individuals of special humanitarian concern eligible for Priority 2 processing (or, direct access to the U.S. Refugee Admissions Program). This is an especially critical designation for the growing number of internally displaced persons in the region.

Answer:

The Special Immigrant Visa (SIV) program in Iraq continues unchanged. The consular section is open, and SIV cases are being processed in Baghdad. .

Question:

Has the State Department considered processing applications and allowing for USCIS to conduct refugee interviews at the consulate in Erbil to accommodate eligible individuals, particularly in religious minority communities, that were forced from their homes in Mosul and cannot reasonably or safely make the journey south to Baghdad to obtain these services?

Answer:

The U.S. Consulate in Erbil has limited capacity to support refugee processing. There is very little space to host USCIS interviewing officers. We do plan to conduct a small number of interviews in Erbil for Syrian refugee applicants referred by the UN. The facility is not large enough to conduct interviews for large numbers of Iraqis in Erbil. In June 2014, due to the temporary relocation of staff from Baghdad, the U.S. suspended all refugee interviews in Baghdad. Initial screening interviews resumed in January and we anticipate that USCIS interviews will re-start in Baghdad in April, security permitting.

**Questions for the Record Submitted by
Representative Thomas J. Rooney (9)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question:

Looking through some of the past grant recipients based both in and outside of the U.S. that are tasked with promoting Israeli/Palestinian peace, I'm concerned about the disparity and contradictory mission statements and goals espoused by many of the organizations we fund. One organization, which has been awarded over \$5 million over the past few years, promotes "environmental peacebuilding" as well as a return to the pre-1967 borders between Israel and Palestine. This is just one example, yet it's incredibly worrying that U.S. assistance is reaching entities whose mission statements directly contradict our stated foreign policy goals. How can you ensure that we're not exacerbating this conflict under the guise of humanitarian assistance?

Answer:

Through an annual \$26 million Congressional directive, the Middle East Reconciliation Fund provides \$10 million in Conflict Management and Mitigation (CMM) grants to organizations that foster cooperation and engagement between Israelis, Palestinians, and Jordanians in areas of common concern and strategic interest. Currently, USAID's CMM grantees include organizations engaging in fields such as economic development, youth leadership, civic education, and sports.

Recipients of CMM grants go through a rigorous application process. CMM grantees are selected by an inter-agency technical evaluation committee comprised of representatives from the U.S. Embassy in Tel Aviv, U.S. Consulate General in Jerusalem, USAID/West Bank and Gaza, and USAID/Washington. USAID consults regularly with the Hill throughout the award process. We find that this close dialogue with Congress has helped develop a program that is consistent with Congressional expectations and U.S. administration policy, including ensuring that USAID-funded activities support a two state solution to the Israeli-Palestinian conflict based on the 1967 borders with mutually agreed land swaps. If USAID ever has reason to be concerned with activities undertaken by a grantee, USAID works with the organization to ensure U.S. government funds are only used as intended.

**Questions for the Record Submitted by
Representative Thomas J. Rooney (10 and 11)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question:

Yemen: For economic support funding, the request is \$70 million to support ongoing political transition and reform efforts that advance U.S. interests by promoting good governance, democratic reform and regional stability

What is the protocol for the obligation of funds to non-government entities for non-security programs when Embassy personnel are evacuated?

Answer:

Programs, specifically under the framework of the Middle East Partnership Initiative (MEPI), the USAID Office of U.S. Foreign Disaster Assistance (OFDA), and USAID Office of Transition Initiatives (OTI) can adapt to increasingly restrictive regulatory and political environments throughout the region by utilizing innovative approaches and various platforms to continue direct support to civil society and other organizations. OTI and OFDA can quickly pivot and provide rapid assistance consistent with U.S. policy during this uncertain phase.

Despite the temporary suspension of Embassy Sana'a operations, U.S. support for civil society in Yemen remains a priority. With most programming continuing despite the current operating environment, the obligation of funds to non-government entities for non-security programs remains unchanged. Contact

with local and international NGOs is maintained by the Department and USAID program and grants officers, despite the temporary suspension of operations. Negotiations on scopes of work and incremental or new obligations (most of which have been conducted virtually on web-based platforms, including video and teleconferencing), proceed much in the same way they did prior to the suspension of operations.

Question :

Given the uncertain security situation in Yemen, and the Department of State's subsequent decision to suspend embassy operations and relocate embassy staff out of Sana'a, how can the U.S. ensure sufficient oversight and monitoring of the implementation of economic assistance programs?

Answer:

Monitoring, verification, and evaluation are the foundation for evidence-based decision-making processes. Projects must have effective and sufficient oversight. In Yemen, we plan to continue implementing local grants. D.C.-based grants will continue as well, with the exception of a few activities that are dependent on third-country trainers or are strongly public and political in nature, particularly in Sana'a. Given the increasingly unstable security situation in Yemen, NEA decided in early 2014 to contract a local monitoring and evaluation (M&E) specialist to provide objective validation and quality assessments of our programs continuing in country, especially those outside Sana'a.

Despite the suspension of Embassy operations, the M&E specialist continues to provide support to our ongoing activities. A site visit to conduct evaluation activities has been scheduled to take place later this month in Hajjah, while a site visit for a separate project being implemented in Aden is being scheduled for April.

USAID also enlists a third party monitoring and evaluation firm. This organization moves around the country with little issue and witnesses first-hand USAID projects, their implementation, and on the ground results.

To date, the site visits and subsequent reports provided by the M&E specialist and third party monitors helped the Department and USAID: (a) verify implementation of MEPI and USAID project activities; (b) access direct feedback from project beneficiaries; (c) provide technical assistance to local implementers; and (d) provide valuable information to Grants Officer Representatives on what is needed, what is working, what is not working, what is replicable, and what, if any, course corrections need to be made in grant implementation.

**Questions for the Record Submitted by
Representative Thomas J. Rooney (12)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question:

Has the Administration already obligated or expended the large infusion of FY15 bilateral and regional assistance for Honduras, Guatemala, and El Salvador? How do the programs proposed in the FY16 request differ or complement those currently conducted by the Department of State and USAID?

Answer:

As of the date of the hearing, and consistent with the requirements of section 653(a) of the Foreign Assistance Act of 1961, as amended, prior to the obligation of funds, the Administration must provide to House and Senate Committees on Appropriations country and program allocations by account for foreign assistance funds appropriated in the State, Foreign Operations, and Related Appropriations Act, 2015. The Administration has not yet submitted 653(a) allocations for FY 2015 foreign assistance to the House and Senate Committees on Appropriations. Therefore, the Administration has not yet obligated FY 2015 assistance.

Our FY 2016 request supports the U.S. Strategy for Engagement in Central America, which calls for expanded U.S. focus and investment along three lines of action: prosperity, governance, and security. The Strategy seeks to bring about an

economically-integrated Central America – a single market – that provides economic opportunities to its people, democratic, accountable, transparent, and effective public institutions, and a safe environment for its citizens to build their lives in peace and stability.

Capitalizing on revitalized political will among the region’s governments through the Alliance for Prosperity Plan, the Strategy prioritizes the Northern Triangle countries of El Salvador, Guatemala, and Honduras.

The request will expand successful prosperity and governance programs. For example, we will replicate current work with the Government of El Salvador to strengthen tax collection and expenditure management in other Central American countries. We will scale up proven, community-based interventions within Central America’s most vulnerable communities, expand targeted mentoring of specialized law enforcement through vetted units and task forces, and support institutional reform within the justice sector to achieve a transformative impact on citizen security.

Our FY 2016 request also includes new investments in governance and prosperity to achieve greater economic integration, increasing income opportunities for vulnerable youth and encouraging more government transparency, effectiveness, and a stronger rule of law. On security, new efforts

will promote access to justice for vulnerable populations and link support to citizens and criminal justice sector institutions through a “place-based strategy” that focuses on Central America’s most threatened municipalities. By linking proven existing programs with new areas of focus, will promote a secure, democratic, and prosperous Central America and environment in which all of its citizens choose to remain and thrive.

**Questions for the Record Submitted by
Representative Thomas J. Rooney (13 and 14)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question:

In light of the Administration's request includes \$116.5 million in Development Assistance for El Salvador – in addition to influxes elsewhere – please explain how the State Department plans to adequately fund and train Grants Officer Representatives in Embassy San Salvador?

Answer:

USAID, which would manage this Development Assistance, utilizes a separate grant management structure from the one implemented by the Department of State. USAID does not utilize Grants Officer Representatives (GORs) to manage grants, but rather employs Contracting Officer's Representatives / Agreement Officer's Representatives (CORs/AORs) to manage these projects.

Since the 2014 spike in unaccompanied children migrating to the United States and the accompanying request for additional foreign assistance funds to address the underlying causes of migration, USAID/El Salvador re-evaluated its staffing requirements and plans on increasing staffing over the next year to support the requested influx in funding and ensure that programs are managed responsibly.. While all staff play a role in program management, USAID/El Salvador has

approximately 32 trained Contracting Officer Representatives as well as ten Contracting Officers/Specialists focused on contract and grant management.

The Department of State utilizes GORs to manage grants. There are currently eight active Department of State GORs posted in Embassy San Salvador, and all have been trained in accordance with Department requirements.

Question:

Can you please explain how you plan to address what I think to be an incredibly worrying, systemic issue of a lack of basic oversight of federal funding in our missions abroad?

Answer:

The Department has strengthened the training and credentialing of Department staff involved in grants oversight at our missions abroad. The Government Accountability Office (GAO) in their report on government-wide grants training (GAO-13-591, Grant Workforce: Agency Training Practices Should Inform Future Government-wide Efforts, June 2013) reviewed the Department's grants training program and found that it represented one of the few examples of an agency establishing a comprehensive grants training program. In fiscal year 2014, the Department provided 27 federal assistance classroom courses with 520 hours of instruction and two distance learning course to Department staff. The courses were completed by almost 2,500 participants in FY 2014 and over 2,800

course completions in FY 2013. The Department provided custom training to bureaus over the past two fiscal years and continues to work with Office of the Inspector General to identify bureaus that need additional or further specialized training.

Grants Officers at the Department of State receive at least twenty four hours of federal assistance training before being issued a grants warrant. Grants Officers are authorized to issue federal assistance awards up to the specified value of the warrant. As the value of federal assistance awards increases, the amount of training required for the warrant also increases for the Grants Officer. The training to receive a grants warrant includes the Department's procedures and processes for soliciting, negotiating, awarding and administering federal assistance awards. Grants Officers are also trained to perform a risk assessment and make a determination of responsibility and capability to carry out the planned federal assistance award activities prior to award of the grant. The responsibility for oversight of both the program and the stewardship of the federal funds continues from the time of award to the closeout of the award.

Grants Officers designate a Grant Officer Representative (GOR) who has the technical qualifications to assist in the administration of the Federal assistance agreement and must be certified to perform the duties of a Grant Officer Representative. The Department created the Grants Officers' Representative

certification program in FY 2013. Going beyond the requirements at most agencies, the Department requires Grant Officer Representatives to understand as much about grants as Grants Officers and to be certified and tracked in a database. This allows the Department to identify the community of Grant Officer Representative s and to work with them on grants management issues. The Department went from zero to 1,200 certified Grant Officer Representatives in the span of one year and currently has over 1,600 certified Grant Officer Representatives. GAO recognized the importance of the program in their June 2014 review where they stated “In addition, State provides its grants officials mandatory training on these policies and guidance, and routinely identifies and shares best practices.”

The Department is in the process of creating a Grants Human Capital Plan that will provide a method of systematically assessing grant workforce needs. The report utilizes the inputs from the bureaus’ leadership, and the Department’s competency survey and other federal assistance related data sets. The report will be released in May 2015.

On December 26, 2014, the Office of Management and Budget in coordination with 26 federal agencies implemented new government-wide federal assistance regulations which combined multiple federal regulations and audited federal assistance programs into a single, comprehensive uniform guidance. The

Department accepted the 2 CFR Part 200 and included three exceptions to the regulations. One of the exceptions was that the Department of State would expand the requirement for the federal awarding agencies to review the risk posed by applicants to include both competitive **and non-competitive** (emphasis added) awards. No other federal agency included an exception to apply the review of risk to all awards in their acceptance of the regulations.

**Questions for the Record Submitted by
Representative Thomas J. Rooney (15)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question :

Can you explain the circumstances under which a country or entity is eligible to receive funding from the “Complex Crises Fund” account? Please provide details on which countries or entities we’ve provided assistance through this Fund in the past fiscal years of its existence, explain the process in which the money obligated, and explain how State measures its effectiveness?

Answer:

The Complex Crises Fund (CCF) helps the U.S. government support programs to prevent or respond to emerging or unforeseen complex crises overseas. Established in 2010, CCF contributes to advancing our nation’s foreign policy interests and security at a time when there are unprecedented humanitarian, political, and security crises around the world. CCF is utilized when there is an unanticipated and overwhelming urgent need (or window of opportunity) where a U.S. government response will help stem the rise of violent conflict and instability or advance the consolidation of peace and democracy.

USAID operating units and other U.S. Government civilian agencies are eligible to submit proposals for CCF funding based on the following criteria: the proposal addresses a rapidly changing complex crisis; the response advances

foreign policy priorities; there is an overwhelming and urgent need; the proposal demonstrates that there would be effective management with tangible impact; the response addresses a critical resource gap; and, if appropriate, is sustainable.

Each of these criteria is discussed in further detail below.

1. Rapidly Changing Complex Crisis

Appropriations language for the CCF defines a “complex crisis” as “a man-made disaster or emergency, usually of long-term duration, that includes a combination of humanitarian, political and security dimensions.” Eligible countries will demonstrate one or more of the following:

- a crisis that results in violent conflict and/or threatens democratic institutions;
- an unanticipated opportunity to advance peace and/or a democratic transition; and
- a threat of a rapid, precipitous increase in human rights abuses, such as extrajudicial killings or gender-based violence.

2. Advancing Foreign Policy Priorities

CCF funding will be considered in situations where neglecting to act could jeopardize U.S. foreign policy interests in the near-term or impede the long-

term progress of strategic goals and objectives. Interventions will be clearly linked to U.S. foreign policy priorities or objectives in the country or region.

3. Overwhelming Urgent Need

The overwhelming urgent need (or window of opportunity) should be clearly articulated that if responded to early will help stem the rise of violent conflict and instability or advance the consolidation of peace and democracy.

4. Effective Management with Tangible Impact

Funds can be obligated in a rapid, timely manner through an existing, flexible mechanism or other arrangement. There are sufficient measures and the environment is such that there will be effective management systems in place to ensure proper execution of these funds toward making a measurable, timely impact.

5. Addresses Critical Resource Gaps

CCF is available to meet the critical, urgent needs in a complex crisis country that are not being completely addressed by U.S. government or other donor interventions through existing or available resources. All other appropriate sources of funding must be shown to be unavailable or inadequate. A thorough review of the U.S. Foreign Assistance budget and

pipeline will be conducted. Therefore, it must be demonstrated that shifting resources or reprogramming would undermine long-term development goals.

6. Sustainability (as appropriate)

Even though many CCF projects have a narrowly defined urgent need with a clear exit strategy, the ultimate goal of sustainability will be considered and addressed where appropriate. USAID's project design guidance acknowledges the purpose of development cooperation is to enable a developing country to devise and implement its own solutions to key development challenges. All proposals requesting CCF resources must define the degree of sustainability that is considered essential for project success, and should consider local ownership and capacity-building.

Since its inception in 2010, USAID has been appropriated \$207,913,740 in CCF and received \$25,000,000 in transfers totaling \$232,913,740. As detailed in the attached table, USAID, following congressional notification, provided CCF funds to 23 countries, including significant support to countries such as Burma, the Central African Republic, Jordan, Kenya, the Kyrgyz Republic, Libya, Somalia, Ukraine, and Yemen. The operating unit receiving CCF is responsible for the timely obligation of funds.

The USAID-led CCF Secretariat, comprised of a 3-person team of budget, management and program specialists from the USAID Bureau for Democracy, Conflict, and Humanitarian Assistance's (DCHA) Office of Policy, Program, and Management (PPM), holds programs accountable for achieving outcomes by regularly monitoring and capturing results through the following mechanisms:

- **Performance Management Plan:** All operating units using USAID CCF resources must submit a monitoring and evaluation plan. The monitoring and evaluation plan details interventions and expected results over the life of the program. If appropriate, the monitoring and evaluation plan may include a baseline study.
- **Mid-cycle Portfolio Review (MPR):** All USAID CCF-supported initiatives are required to perform an MPR, in which a team assembled by the CCF Secretariat considers program performance within the context of the dynamic operational environment while taking into consideration issues that may shape the future direction of these initiatives.
- **Final Performance Evaluation:** Final performance evaluations are required at the conclusion of a program. A performance evaluation considers what a particular project or program has achieved, its implementation, stakeholder perception, and whether expected results are occurring.

- **Senior Technical Advisor:** A senior technical advisor manages USAID CCF Monitoring and Evaluation mechanisms for the CCF Secretariat. The advisor provides technical leadership on all USAID CCF Monitoring and Evaluation operations including guidance on program design, performance management plans, MPRs, on-site visits, and design of final evaluations.

USAID CCF Appropriations 2010-2015				
Fiscal Year	Base	Direct	Transfers	CCF Total
FY 10	\$50,000,000	\$0		\$50,000,000
FY 11	\$39,920,000	\$0		\$39,920,000
FY 12	\$10,000,000	\$30,000,000	\$10,000,000	\$50,000,000
*FY 13	\$9,496,155	\$28,497,585	\$15,000,000	\$52,993,740
FY14	\$20,000,000			\$20,000,000
FY15	\$20,000,000			\$20,000,000
Total Approp to Date	\$149,416,155	\$58,497,585	\$25,000,000	\$232,913,740

*FY13 levels are post sequestration

USAID CCF Notifications			
Country	CCF Funds	Transfers into CCF	CCF Total
Yemen	\$12,857,254		\$12,857,254
Kyrgyz Republic	\$15,108,240		\$15,108,240
Kenya	\$3,950,000		\$3,950,000
Sri Lanka	\$5,000,000		\$5,000,000
Tunisia	\$5,000,000		\$5,000,000
Côte d'Ivoire	\$7,000,000		\$7,000,000
Somalia	\$10,000,000		\$10,000,000
Kyrgyz Republic	\$5,000,000		\$5,000,000
DRC	\$4,784,200		\$4,784,200
Nepal	\$6,000,000		\$6,000,000

Zimbabwe	\$8,740,000		\$8,740,000
Burma	\$10,000,000		\$10,000,000
Maldives	\$3,000,000		\$3,000,000
Kenya	\$9,000,000		\$9,000,000
Jordan	\$10,000,000	\$10,000,000	\$20,000,000
Niger	\$6,000,000		\$6,000,000
Mali	\$3,000,000		\$3,000,000
Central African Republic	\$6,000,000		\$6,000,000
Libya	\$10,000,000	\$15,000,000	\$25,000,000
Guinea	\$1,750,000		\$1,750,000
Burundi	\$4,978,000		\$4,978,000
Ukraine	\$10,000,000		\$10,000,000
Mali	\$5,000,000		\$5,000,000
Burkina Faso	\$2,000,000		\$2,000,000
Somalia	\$5,500,000		\$5,500,000
Central African Republic	\$5,000,000		\$5,000,000
CCF funded to date	\$174,667,694		
CCF Transfers to date		\$25,000,000	
ALL Programs Funded to date			\$199,667,694
M&E and Admin oversight			\$2,495,858

**Questions for the Record Submitted by
Representative Thomas J. Rooney (16)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question:

While foreign assistance in and of itself is risky by its very nature, I am particularly concerned about the issues consistently raised by the Inspector General regarding the State Department's deficiencies in grants management, particularly volatile countries. In instances where there isn't staff with sufficient grants management training stationed at missions in conflict-prone countries in close proximity to terrorist organizations, how can the State Department assure that these funds are being properly spent and are not coopted by terrorist or other criminal organizations?

Answer:

Monitoring of Federal Assistance awards is one of the primary responsibilities of the Grants Officer and Grants Officer Representative (GOR). Grants Officers and GORs are trained on effective monitoring tools to assist them during the lifecycle of a grant. GORs are assigned to grants by the Grants Officer and operate under delegation of authority from the Grants Officer. The Department assigns bureau grants management staff to missions to manage grant programs. Each Bureau evaluates available resources and approaches to determine the appropriate level of staff for grants management functions. There are a number of approaches available, taking into account country-specific risks, program-

specific risks, award-level risks, security, monitoring ability, mandatory requirements for Grants Officer Representatives, and a number of other potential risk factors. Some bureaus retain experienced grants management staff in Washington to assist missions in conflict zones perform grants management and support grants management functions. In addition to embassy staff overseas, Washington based personnel are routinely in country to perform grant monitoring/management and provide additional support to the Embassy based personnel.

In addition to utilizing Department personnel, Grants Officers and GORs, Bureaus operating in conflict-prone countries have implemented multi-tiered approaches to effectively monitor programs. Where Department personnel are unable or prohibited to participate in on-site monitoring based on security assessments, remote monitoring tools and independent monitoring contracts have been utilized. These instruments provide the Department with the ability to conduct on the ground monitoring and evaluation activities in areas that our personnel cannot physically visit. In addition, the Bureau of Administration conducted grants training at Embassy Kabul in 2014 for Grants Officers and GORs. In some cases, grants management may be assisted by grants management trained locally engaged staff (LE staff).

With regard to training, Department of State Grants Officers receive mandatory federal assistance training before being issued a grants warrant. The Grants Officers are authorized to issue federal assistance awards up to the specified value of the warrant. As the value of federal assistance awards increases, the amount of training required for the warrant also increases for the Grants officer. The training to receive a grants warrant includes the Department's procedures and processes for soliciting, negotiating, awarding and administering federal assistance awards in compliance with Statutory Authorities, Federal Laws and Regulations, and Department-specific policies.

Grants Officers are also trained to perform a risk assessment and make a determination of responsibility and capability to carry out the planned federal assistance award activities prior to award of the grant. Part of the due diligence required by Federal Regulations and the Department is the requirement to check to ensure that any potential recipient, who is excluded from award because of being suspended, debarred or otherwise sanctioned from receiving Federal funds, does not receive a grant. In addition, higher risk assistance awards in countries such as Syria, Iraq, and Afghanistan, require additional organizational, key personnel, and even beneficiary-level vetting to ensure that Department funds are not benefitting terrorist organizations. Depending on the analysis of risk factors, and through coordination with USAID, DOD, Embassy Regional Security Officers (RSO), and

local sources, Federal assistance recipient and beneficiaries are intensely vetted prior to project activities taking place.

**Questions for the Record Submitted by
Representative Thomas J. Rooney (17)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question:

Can you please explain the training that grants and contract managers receive, along with the tools they're provided once they're in the field, that prepares them to ensure funding under their purview is not provided to organizations with financial ties to sanctioned entities? I've seen the foreign assistance website, and the gamut of implementing partners is vast, with both U.S. and non-U.S. based organizations receiving grants, cooperative agreements and contracts. How do State Department employees properly vet implementing partners based outside of the U.S. that we entrust with U.S. assistance?

Answer:

Contracting Officers in the GS1102 series must be Federal Acquisition Certification- Contracting certified. Training is prescribed by the Office of Management and Budget's Office of Federal Procurement Policy. GS1102 Contracting Officers staff the Washington-based Department acquisitions office and the Regional Procurement Support Offices, and have full contracting authority for the Department.

Foreign Service Contracting Officers in the field have limited contracting warrants and are restricted in what they can procure at posts overseas. They receive four weeks of acquisition training. Foreign Assistance contracting

programs are generally awarded by certified GS 1102s. Both sets of training include the procedures and processes for soliciting, negotiating, awarding and administering contracts.

Contracting Officers are required to make an affirmative determination that a proposed contractor is a responsible contractor. A responsibility determination includes verification that the contractor is not an excluded party because of suspension, debarment or other sanctions. Contracting Officers have access to the government-wide System for Award Management (SAM) to determine exclusion. Additionally, Contracting Officers are trained to review the Federal Awardee Performance Information and Integrity System (FAPIS) which indicates contractors who were terminated for default or found not to be responsible contractors by other agencies.

Grants Officers at the Department of State receive at least 24 hours of federal assistance training before being issued a grants warrant. The Grants Officers are authorized to issue federal assistance awards up to the specified value of the warrant. As the value of federal assistance awards increases, the amount of training required for the warrant also increases for Grants Officers. The training to receive a grants warrant includes the Department's procedures and processes for soliciting, negotiating, awarding and administering federal assistance awards. Grants Officers are also trained to perform a risk assessment and make a

determination of responsibility and capability to carry out the planned federal assistance award activities prior to award of the grant. Grants Officers access the same SAM and FAPIIS systems used by Contracting Officers which, as noted, list individuals and companies excluded from contracts and grants because of suspension, debarment or other sanctions or found to be not responsible by other agencies.

Vetting is conducted by the Bureau of Administration's Office of Logistics Management Critical Environment Contracting Analytics Staff (CECAS) which mitigates the risk of providing material support or resources to terrorists or designated foreign terrorist organizations; CECAS' vetting searches open sources like the internet and U.S. government databases for derogatory information on key individuals regarding potential terrorist activity or associations with known terrorist organizations.

Programs, contracts, and grants, Basic Purchase Agreements (BPAs), purchase orders, grants, and BPA calls are currently being vetted by CECAS based on risk assessments provided by DOS program offices. CECAS provides information to domestic and overseas contracting and grants officers about vetting processes and procedures through an internal State Department website, webinars, formal presentations and informal consultation.

**Question for the Record submitted to
Secretary of State John F. Kerry by
Representative Chris Stewart (1)
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question 1:

The State Department has a policy of only allowing the sale of firearms suppressors to government entities, police, and military end-users of U.S. partners. What data does the State Department have demonstrating the susceptibility of suppressors to being diverted for organized crime, terrorism, etc.?

Answer:

All arms transfers are subject to the Conventional Arms Transfer policy, which lays out a framework for case-by-case consideration of all arms transfer cases, including direct commercial sales. This framework includes U.S. national security and foreign policy considerations as well as human rights concerns.

Our policy regarding exports of firearm suppressors/silencers was approved during the previous administration, and notes the one-dimensional, clandestine purpose of these items. The policy applies restrictions on the commercial transfer of firearm suppressors/silencers, regardless of geographical region, congruent with the risks of diversion and misuse they

pose. The policy also restricts transfers for end-use by government entities, in addition to other case-by-case considerations, as noted above.

The Department does not believe there have been any significant changes to the nature of these articles or the demand for their use which would warrant revisiting the restrictions laid out in the existing policy.

**Question for the Record submitted to
Secretary of State John F. Kerry by
Representative Chris Stewart (2)
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question 2:

Has the State Department done any research into a policy that would treat different geographical regions differently, i.e. allowing the commercial sale of suppressors or other regulated products in some areas of the world but not in others?

Answer:

Due to the sensitivity of these defense articles, and their principal use in military and paramilitary operations, our policy (described in our response to Question #1) applies worldwide without regard for geographic region. Our policy and the licensing procedures that support it help prevent diversion of these sensitive items to criminals, terrorists, and other undesirable end-users inimical to our foreign policy and national security interests.

**Questions for the Record Submitted by
Representative Chris Stewart (3)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question 3:

What is the current estimated cost of the New Embassy Compound (NEC) in Mexico City? What was the original estimated cost?

Answer:

The current estimated cost of the new U.S. Embassy project in Mexico City, including site acquisition, planning, design and construction, is \$943 million. In July 2011, the Department notified Congress of its intent to purchase a site for the new Embassy project and, at that time, estimated that the project would cost \$700.9 million. The \$700.9 million estimate was based on the original plans for a new Embassy building that would accommodate a much smaller staff population – 891 desks – versus the current number of 1,335 desks. The increased numbers are across the Embassy - most sections and other U.S. government agencies have grown significantly since the original intent at the time of site purchase. For State, the largest increase in staffing came as a result of the Merida Initiative, whereas other State sections such as Consular grew as a result of increased

visa and U.S. citizens services demand and the support functions that come with that growth.

**Questions for the Record Submitted by
Representative Chris Stewart (4)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question 4:

Congress understands that the site acquired for the NEC is contaminated, which requires extensive cleaning. How much will it cost to clean up the site for the NEC? Is additional money needed, and if so, how much money is the Department requesting? Have the cleanup efforts delayed the scheduled start date for building the NEC?

Answer:

The new U.S. Embassy site in Mexico City is under contract for purchase and the seller is responsible for delivering the property, as part of the sales price, cleared of buildings and contamination. The seller has completed the environmental remediation of the site with the exception of a small contaminated piece of property located outside of the NEC footprint. The current remediation work has not delayed the scheduled start date for construction of the new Embassy complex.

**Questions for the Record Submitted by
Representative Chris Stewart (5)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question 5:

When is the NEC scheduled to be built? What was the original scheduled start date?

Answer:

The construction was originally scheduled for July 2015. The FY 15 House State/Foreign Operations bill included restrictions on our ability to begin embassy construction. Due to this limitation, we delayed action until the final bill was enacted in December. Under the language in the bill, we were required to consult with the Appropriations Committees prior to pre solicitation of awards and for Mexico City in particular, we were required to provide updated design plans prior to obligation of funds. With these requirements, we have been working with the Appropriations Committees to ensure they have all of the information necessary to move forward. The Bureau of Overseas Buildings Operations has consulted with the committees on appropriations and has released the request for pre-qualification based on those conversations. With the release of pre-qualification this month, the Department now anticipates construction award in January 2016.

**Questions for the Record Submitted by
Representative Nita M. Lowey (I)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question:

Effectiveness of Public Diplomacy

In his closing remarks to the conference on countering violent extremism in February 2015, the President said “We need to find new ways to amplify the voices of peace and tolerance and inclusion, and we especially need to do it online.” The FY 2016 request includes a 6% increase for public diplomacy, for a total of \$1.19 billion. I am concerned that in a world besieged by social media, marketing, and messages, it is not clear that we are able to break through.

Q1A – Part 1: Are there examples of where we have been successful?

Answer:

Public diplomacy (PD) seeks to build bridges with foreign audiences generally, explaining all aspects of America, our values and our policies. An important, but still relatively small part of our overall (PD) effort is focused on countering violent extremism (CVE) through social media and messaging. Since the President was speaking to a CVE conference, I will respond here primarily about our CVE efforts.

We believe that most people around the world, including those in countries besieged by terrorism, generally desire the same things we do,

such as access to education, economic opportunities and dignity. Our overall PD effort seeks to address all these wants and needs, and our focused CVE efforts do, as well.

CVE messaging is a top national security priority for the administration, and for the State Department, even as we realize that extremist messaging represents only a narrow portion of the online chatter. To counter it, we go after a narrow group of key influencers and propagandists. Our CVE messaging strategy is built, first of all, around contesting the social space occupied by those propagandists. We do this by challenging and refuting their arguments, which we do ourselves directly in various languages. We also work with partners.

Secondly, we work to amplify the voices of peace and tolerance indirectly, supporting our partners in ways that will not damage their public credibility.

Yes, we do have examples that show we are successful. The best measures of success we have collected have come from observing how the adversary has reacted to our CVE messaging. Many times, these propagandists have tried hard to shut down our CVE social media accounts through spam campaigns, and through warnings and guidelines issued to

their followers not to interact with our teams. They are wary of us because they know we will use their words and actions against them in the court of public opinion.

Q1A – Part 2 What are the biggest challenges preventing us from being more effective?

Answer:

We are trying to work through a number of challenges. One is expanding the volume and variety of CVE messages that have proven effective in reaching the right target audiences. While terrorist propaganda constitutes a small portion of total social media discussion, its volume still dwarfs our own messaging, and that of our partners.

That is because many of those who message online on behalf of terrorist groups like Daesh aren't full-fledged members of that organization, or even full-time propagandists, but, rather, they are often just volunteers, working on their own in their spare time because they are attracted to the group. In addition, there is also automated/robot messaging that increases the total output of terrorist messaging even more.

It is much more difficult to motivate the general public, which is often dismissive of the propagandists, and to incentivize them to use their spare

time to counter terrorist propaganda, even though they completely disagree with it and find it abhorrent.

A second challenge we face is that we avoid religious argument in our messaging. That is where we rely on credible partners to make their voices heard, and we are supporting them in the process.

Some of the most effective terrorist messaging is built on the hijacking of legitimate local grievances, such as those related to the dire situation in Syria. Extremists craft messages that appeal to certain vulnerable or receptive populations, asking them to join the fight, arguing falsely that the only way to help is by coming and picking up arms alongside Daesh, or other terrorist groups. As long as there are conflicts around the world and populations that feel they have been wronged or marginalized, there will be those who will be easy targets for those who advocate for violence. We will never be able to eliminate that factor completely or solve every crisis in the world.

What makes current conflicts different is the rise of social media, which carries these calls wide and far. What we can do, and what we are doing, is to expand the circle of voices present in social media that highlight

peaceful alternatives, that correct misinformation, and that counter terrorist propaganda whenever possible.

Q1B – Part 1: Can you detail the expansion of State Department’s Center for Strategic Counterterrorism Communications to harness all USG attempts at counter messaging, including at the Pentagon, Homeland Security and the intelligence agencies?

Answer:

The expansion of the State Department’s Center for Strategic Counterterrorism Communications (CSCC) has comprised building a more robust interagency staff, drawing on whole-of-government knowledge, skills and resources. Much of this growth has been concentrated in the establishment of the Information Coordination Cell (ICC), which is led by the Special Envoy and Coordinator for Strategic Counterterrorism Communications Rashad Hussain. The ICC’s mission is to support directly Line of Effort 6 (Exposing ISIL’s True Nature) by directing government-wide communications aimed at discrediting terrorist propaganda and degrading the ability of terrorists to disseminate messages and recruit fighters.

The expansion of CSCC and ICC is reconfigured with a focus on three main teams in addition to the existing Digital Outreach, to include Government Coordination, Message Development and Third Party Outreach.

The ICC Messaging Development team develops and disseminates daily and thematic guidance for US Government and Coalition communicators based on input from the Intelligence Community, USG and Coalition communicators and other LOE6 participants. This thematic guidance will be delivered as unclassified one-page assessments. These one-pagers are intended to prepare partners for upcoming events or to expose new ISIL vulnerabilities for USG and Coalition use. The Messaging Development team also will distribute regular reports on ISIL's current messaging trends and ongoing US efforts against the group's messaging.

The Third Party Outreach team is developing third party partnerships with regional governments and NGOs to produce credible counterterrorism messaging. These partnerships will come in many forms, ranging from replication of current USG capabilities to development of complementary third-party communications and positive alternatives and programming to counter violent extremism.

The Government Coordination team is developing a "plan of plans" that incorporates all overt US Government and Coalition communications plans against ISIL. This plan is intended to provide a common operating picture to LOE6 partners. The plan will identify audiences, objectives, themes, media, agents, critical events, and more, and will serve as the

cornerstone of USG communications and planning against ISIL's image. The Government Coordination team also holds regular meetings with the interagency to ensure communications on ongoing messaging activities against ISIL.

Much of CSCC's growth so far has been due to other departments and agencies detailing personnel to this interagency effort, including fourteen from other departments and agencies and four from within the State Department itself. (CSCC has either received, or will soon receive, five detailees from DoD, one from the FBI, one from USAID, one from DHS, two from the CIA, one from NSA, and three from NCTC. Four more will have come from other parts of the State Department - the CT and NEA and the Office of Religion and Global Affairs.)

This expansion of staff resources will enable us to better promote and coordinate the whole of US government messaging against violent extremism, and strengthen our outreach to and cooperation with our international partners, including coalition governments, regional organizations, civil society, and the private sector.

Q1B – Part 2: Does the State Department, even with the requested FY'16 increase, have the resources and the ability to serve as the lead?

Answer:

The Department of State's FY15 budget for CSCC is \$4.5M, and the FY16 request includes a total of \$9.5M (\$5.2M in the base and \$4.3M in Overseas Contingency Operations (OCO). The current request would support an initial ramp-up of the ICC and CSCC.

If Congress supports this request, the State Department will have the resources to continue to serve as the lead agency for this mission. However, to protect the out-years of the CSCC/ICC operational expansion, a permanent increase in baseline funding will be required.

Q1B-Part 3: Will the State Department have the support in the executive branch necessary to get the job done?

Answer:

The CSCC was created by Executive Order 13584 ("Developing an Integrated Strategic Counterterrorism Communications Initiative") signed by the President on September 9, 2011. CSCC remains under the policy direction of the White House and interagency leadership. The Department of State is confident that CSCC's legal mandate is strong, and that it has the continued support from the White House as it builds its capacity to counter both immediate and long range threats of violent extremism.

Q1C: The Counterterrorism Communications Center is a \$5 million program compared to the \$742 million in programming done by the Broadcasting Board of Governors (BBG). I understand the Congressional mandate of the BBG to produce credible, comprehensive news consistent with the standards of professional journalism. But I wonder if we are effectively harnessing the much larger operations and assets of the BBG. How can we better use the assets of Radio Free Europe, Voice of America, etc. to get our message across? Why are we not better using the platforms of the BBG to counter the messages of ISIL and other terrorists?

Answer:

The Broadcasting Board of Governors (BBG) is the United States' media platform to reach and engage audiences around the world. In Fiscal Year 2014, 215 million adults consumed BBG content from one of its five media entities on a weekly basis, the highest audience on record for the organization.

In coordination with the White House, the National Security Council and the State Department, the BBG is playing an active role in responding to critical national security issues and emerging crises. Over the past twelve months BBG's media operations have played a key role in the USG response to counter the violent extremist ideology of ISIL, Boko Haram, al-Shabaab, al-Nusra, and other extremist organizations.

In particular, the BBG is working closely with the State Department on the Countering ISIL strategy through Line of Effort #6: Exposing ISIL's

True Nature. The BBG is focused on countering ISIL through two core actions: being a platform for moderate voices in shaping the future of Iraq, and, as a global media platform, delegitimizing ISIL in key countries to stem the flow of foreign fighters in the media markets in which BBG operates.

The BBG has three networks involved – Middle East Broadcasting (MBN), Voice of America (VOA) Kurdish, and Radio Free Iraq (RFE/RL). Within ISIL's primary area of operations, the BBG has extraordinary reach across Iraq (46% weekly audience) and Syria (33%), in highly chaotic markets. Beyond Iraq and Syria, BBG has audiences with VOA Turkish (Turkey), MBN (Gulf States/North Africa), RFE/RL (Iraq, Balkans, North Caucasus) and VOA Persian and RFE/RL's Radio Farda (Iran). Finally, BBG is actively using its global platform in reaching audiences in countries that are sending foreign fighters to Iraq and Syria, such as Central Asia, the Balkans, Indonesia, and Trans-Sahel Africa.

Through a \$6.3M funding increase in two-year (OCO) funds, the BBG will be spending approximately \$18.5 million in ISIL's primary area of operations, up from \$15.2 million in FY 2014. These numbers do not count funding expended countering other extremist ideologies and groups, such as Boko Haram.

With regards to countering Russian aggression, the BBG has doubled its budget dedicated to countering Russian propaganda from \$11.2 million to \$22.7 million.

The BBG has launched new programs such as *Current Time* that provides clear reporting and cogent analysis of Russian activities to Lithuania, Ukraine, Moldova and Georgia, with a planned expansion to Kyrgyzstan. This program, as well as a range of new digital content activities (web, social media, video, mobile), has been developed in coordination with the State Department and within the framework of the Administration's policy response to Russia, in which the BBG was an active participant.

Q1D: The United States has some of the best technology and marketing minds in the world. Are we harnessing these talents in this important area?

Answer:

The U.S. hosts the best technology companies in the world who are on the cutting edge of innovation and marketing. We have close engagement with leaders in the private sector and have solidified several partnerships with tech companies. State Department officials have made numerous trips to Silicon Valley and are working with various senior executives and CEO's

at leading companies to explore ways to use social media better to counter violent extremists online.

This long-standing cooperation was highlighted at the February 2015 CVE Summit where enhancing private sector was a significant component of the discussion the resulting action plan.

Several leading companies were represented at the 2015 CVE Summit and participated on panels with civil society and government representatives to discuss further cooperation.

Technology companies are demonstrating best practices on reaching new audiences and using advanced metrics to better analyze our messaging on various platforms. Our goal is to amplify and mobilize third-parties to produce more content. Young people are on the front-lines of battling against extremists. Producing more content that directly tackles extremists and paints a positive alternative narrative is critical.

**Questions for the Record Submitted by
Representative Nita M. Lowey (2 A-C)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question:

Israel-Palestinian Peace Process and ICC

A) Has there been any progress toward renewed negotiations between the Palestinians and the Israelis?

Answer:

The United States remains committed to the goal of achieving a negotiated two state solution between Israelis and Palestinians, and we continue to believe that final status negotiations are the only way for the parties to reach a peace agreement. We continue to look at options for moving toward that objective, in consultation with both parties and our international partners. However, Secretary Kerry, and others in the administration have made very clear that a return to negotiations and the pursuit of a peace agreement will ultimately be up to the parties. If they are willing to go down that track, we will be there to support them.

Question :

B) Do you believe that Abbas will next try to achieve member status at specialized agencies of the UN?

Answer:

The United States is concerned that pursuit of Palestinian membership as a state in UN specialized agencies will drive the parties further apart and risk hard-won progress in building Palestinian institutions. There is no substitute for the difficult give-and-take of direct negotiations.

The United States continues to oppose Palestinian membership as a state in the UN and its specialized agencies outside a negotiated agreement between the Israelis and Palestinians. We have consistently opposed one-sided actions in international bodies, and will continue to do so.

We have also made clear how important it is that both parties take affirmative steps to restore calm and implement practical measures to prevent further escalation of tensions. We will continue to work with our partners to advance the prospect for future negotiations and provide a horizon of hope for Israelis and Palestinians.

Question:

C) How does the Administration foresee using the waiver authority to continue funding on a case-by-case basis UN entities such as the WHO and IAEA if Abbas resumes his UN campaign?

Answer:

When the United States steps back from international fora, states with conflicting agendas can and do step in. It is not in the U.S. interest to

empower others to determine how and when America engages. A more effective approach is to work constructively within international organizations, wielding our influence to promote U.S. interests, including defending Israel from one-sided attacks and advancing Middle East peace.

The longstanding legislative restrictions on making contributions to UN specialized agencies that admit “Palestine” as a member state run counter to U.S. national interests. These laws are outdated and do little, if anything, to dissuade the Palestinians from taking provocative actions. To the contrary, they effectively advance the cause of those who would benefit from the United States being sidelined throughout the UN system. As a result, our ability to defend Israel from unfair and one-sided attacks in the UN will also be greatly damaged.

We vigorously opposed the Palestinian effort at UNESCO and remain committed to heading off their efforts to seek membership as a state elsewhere across the UN system, including the UN specialized agencies covered by the legislative restrictions. There is no shortcut to statehood and permanent status issues can only be solved through direct negotiations between the parties. Nonetheless, the complex global challenges we face require having all of the tools of diplomacy at our disposal. The United

States needs the flexibility to promote and pursue its national interests despite potential unhelpful Palestinian actions.

The purpose of the proposed waiver is to give the U.S. the discretion to continue to provide contributions that enable us to maintain our vote and influence within the UN and its specialized agencies, if the President determines that doing so is important to our national interests, and to deny the Palestinians any ability to force a contribution cut-off and diminish our influence within these agencies.

UN specialized agencies are critical fora for advancing the interests of the U.S. and our closest partners across the full spectrum of policy goals. We look forward to working together to find a solution that allows the Department, where appropriate, to waive existing legal restrictions so that we can pay our financial contributions and fully participate in UN organizations that serve our national interests.

**Questions for the Record Submitted by
Representative Nita M. Lowey (3)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question:

Cutting Off Funding for the PA

I am very concerned about any new funding going forward to the Palestinian Authority at this time. Can you update us on the State Department's review of assistance to the Palestinian Authority? If all assistance is cut to the PA, could the PA dissolve? If that happens, what would be the security situation in the West Bank? If the West Bank were to become unstable, what kind of impact would this have on the security situation in Israel and Jordan?

Answer:

The State Department, in conjunction with USAID, continues to examine our assistance to the Palestinians to determine how it can best be used moving forward. Our view is that the legislative restrictions related to Palestinian initiation or active support for an ICC judicially authorized investigation have not been triggered to date. However, we are deeply troubled by their action at the ICC and continue to voice our opposition to further action to both the Palestinians and the international community. The State Department and USAID are further discussing the consequences that might result from further Palestinian action. We continue to believe that

U.S. assistance to the Palestinian people is an important tool in promoting regional stability, economic development, and increased security for both Palestinians and Israelis.

The PA faces a deep financial crisis triggered in part by Israel's decision to withhold transfers of the PA's monthly tax revenue for the first three months of 2015. These transfers historically have averaged \$150 million per month, or about 75 percent of all regular PA revenues. In the absence of these revenues, the PA has only been paying 60 percent of employees' salaries from January to March 2015. In the absence of tax revenue transfers, Palestinian officials maintain that the PA may have to resort to furloughs and staggered work schedules for its workforce, including security forces. The payment of partial salaries and shortages of food and fuel has already impacted the operational readiness and morale of the security forces.

Even if Israel releases the PA's tax revenue, the PA still faces enormous fiscal and economic challenges. With an annual budget of about \$3.75 billion and revenues of about \$2.5 billion, the PA must finance a large deficit—through foreign assistance, loans, and arrears—in order to meet its financial obligations. Growing debt loads make this process increasingly challenging. At \$4.5 billion, PA debt levels are already at unsustainable

levels. Local borrowing is effectively exhausted; with a \$100 million loan from Bank of Palestine at the beginning of March, the PA reached its local borrowing limit of \$1.47 billion. Additional funding is also needed to stem the ongoing humanitarian crisis in Gaza, where unemployment is over 40 percent and tens of thousands lack adequate shelter.

A cut in U.S. assistance to the PA would increase the fiscal and economic pressures that could contribute to instability and the eventual unraveling of the PA. Such an outcome could have severe implications for the security situation of neighboring Israel and Jordan. The combination of a security vacuum, economic downturn, unemployment, and social frustration could create a dangerous atmosphere that could make the West Bank fertile ground for unrest and extremist recruitment. At a time when the United States is leading international efforts to counter extremism and degrade and defeat the Islamic State, the collapse of the PA could potentially create a new vulnerability for terrorists to exploit. The continued humanitarian crisis in Gaza, which would be exacerbated by a PA collapse, poses an additional risk to Israel's security.

**Questions for the Record Submitted by
Representative Nita M. Lowey (4)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question:

Arming Ukraine

The media has reported that Germany and other European countries are against arming Ukraine. During a discussion with the German and French Foreign Ministers at the recent Munich Security Conference, you said “...some deem supplying weapons to Ukraine to be a very feasible or even necessary path forward, as a way of targeted counter escalation. But I believe it is highly risky and very dangerous and counter-productive, indeed.” But in a joint news conference held by President Obama and German Chancellor Merkel on Monday, February 9th, the President said that if diplomacy fails he has asked his team to look at all options, including the possibility of providing lethal weapons to Ukraine. While I understand the need for defensive capabilities, we should be careful about starting a war with Russia and sending defensive or offensive weapons to Ukraine.

- A. With a fragile ceasefire in Ukraine negotiated with Russia, Germany and France, for lack of a better term, and renewed fighting in eastern Ukraine, what is Russia’s end game?
- B. What is the likely impact of Russia’s aggression in Ukraine on the Iran and Syrian negotiations?
- C. What are the best options to make Russia respond? What other avenues are open to the Administration? What is NATO going to do?

Answer:

- A. Russian’s end game motives are unclear, but Russia’s actions on its periphery, including its willingness to use more aggressive methods to

destabilize its neighbors, threaten the fundamental U.S. interest of achieving a Europe whole, free, and at peace. Russia has violated Ukraine's sovereignty and territorial integrity by attempting to annex Crimea, backing separatists in eastern Ukraine, and sending Russian troops and weapons systems into Ukraine. Russia has violated Georgia's territorial integrity, independence, and sovereignty by, among other things, signing a "border agreement" with the leaders of Georgia's occupied region of South Ossetia and a "strategic partnership treaty" with the leaders of Georgia's other occupied region, Abkhazia, and by helping those regions harden their administrative boundaries into "borders." Russia has similarly threatened Moldova through backing the self-declared leaders of the breakaway Transnistrian region and wielding trade and energy as additional political levers. These activities and other forms of pressure, including Russia's willingness to use both military and asymmetric tactics to destabilize its neighbors, have heightened anxiety in the region. Russia has increasingly used elements of hybrid warfare to undermine the stability of neighboring countries, most notably Ukraine. Additionally, both within its borders and in neighboring states, Russia continues its efforts to spread disinformation, suppress independent journalism, and stifle the freedoms of expression, assembly, and association. Russian efforts are well funded, well organized,

and dispersed throughout the world. There is growing concern among the Baltic States, which as members of NATO are protected by NATO's Article 5 security guarantee, about possible Russian efforts to foment tension.

B. Russian aggression in Ukraine has not generally impacted our cooperation on Syria or Iran. While we have been clear that Russia's continuing support for the Asad regime has fueled the conflict that has killed and displaced so many, Russia has been a partner in removing all of the Asad regime's most deadly chemical weapons and we continue our cooperation in addressing remaining CW concerns in Syria. Russia is also actively engaged with us on a way forward to bring about a negotiated end to the conflict. Russia has remained an essential partner in the P5+1 talks with Iran to address the international community's concerns about Iran's nuclear program.

C. Our focus from the outset of the crisis has been on supporting Ukraine and on pursuing a diplomatic solution that respects its sovereignty and territorial integrity. We are constantly assessing our policies on Ukraine to ensure they are responsive, appropriate, and calibrated to achieve our objectives.

While we continue to believe that there is no military solution to this crisis, Ukraine has the right to defend itself. We have committed significant

non-lethal security assistance to help Ukraine sustain its defense and internal security operations. And we continue to monitor the situation closely and remain in constant contact with our Ukrainian counterparts, as well as our NATO Allies and partners, to explore opportunities for additional defense cooperation.

Since Russia's aggression in Ukraine, NATO has responded with continuous land, sea, and air reassurance measures in the Baltic region and in Poland, Romania, and Bulgaria. NATO has increased its Baltic air policing rotations, maritime presence in the Black and Baltic seas, and continuous land exercises. The United States has led these efforts and all Allies have contributed in some way. At the 2014 NATO Summit in the UK, heads of state and government approved the NATO Readiness Action Plan (RAP) that would ensure NATO reassurance efforts for as long as necessary. NATO is currently in the process of implementing the various RAP elements, including developing a rapid response "spearhead force" and command-and-control nodes. The Very High Readiness Joint Task Force is NATO's new "spearhead force" that will be able to respond to a threat in days. Six Allies -- the UK, France, Germany, Spain, Italy, and Poland -- will serve as framework nations for the spearhead force. In addition, NATO has approved the establishment of six command-and-control units in

Estonia, Latvia, Lithuania, Poland, Bulgaria, and Romania to support the “spearhead force.” Later in 2015, NATO will implement further RAP elements, including maritime, that will further strengthen NATO and ensure its overall cohesion and security preparedness.

**Questions for the Record Submitted by
Representative Nita M. Lowey (5)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question:

Funding in FY'16 Request to counter Russian Pressure

The FY 2016 request includes \$640 million for economic and security assistance to Ukraine, Moldova, and Georgia to counter Russia's pressure/aggression/ influence. Of this, \$513.5 million is for Ukraine to promote economic reforms, advance democracy and anti-corruption efforts and to support a third loan guarantee for Ukraine of up to \$1 billion.

- A. Given recent events in Ukraine, is the Administration's proposed assistance for FY 2016 still adequate and appropriate?
- B. What are the competing diplomatic considerations that guide our policy toward Ukraine?
- C. What is the State Department doing to help Ukraine establish and maintain a robust economy?
- D. Can Ukraine survive without natural gas from Russia?

Answers:

A. The Administration's FY 2016 request will allow the United States to continue its vital support to Ukraine to establish security, restore its economy and advance democratic and economic reforms. Ukraine is central to our 25-year transatlantic quest for a "Europe whole, free and at peace." Over the last year, Ukraine has undertaken the tremendous task—with U.S. and international community support—to build a more democratic, independent, European country. At the same time, Ukraine has encountered

unprecedented pressure from Russia, including the forcible seizure, occupation, and purported annexation of Crimea; a violent conflict carried out by Russia-backed separatists in eastern Ukraine; and painful economic, energy, and trade measures. Despite the severe financial strain Russia's destabilizing actions have placed on the Ukrainian economy, Ukraine's new government is bravely pushing forward with important but difficult economic, political, justice, and security reforms needed to meet European Union (EU) standards, advance the battle against pervasive corruption, and diversify its trade and energy sectors to reduce vulnerability to external shocks and Russia's aggressive acts. U.S. assistance to Ukraine in FY 2016 will continue to provide Ukraine valuable technical assistance to advance medium and long-term reforms in these areas in order to help put Ukraine's economy on a more sustainable path and bring the country closer to achieving its aspirations of a European future.

America's investment in Ukraine is about far more than protecting the choice of a single European country. It is about protecting the rules-based system across Europe and globally. It is about saying "no" to borders changed by force, and to big countries intimidating their neighbors through trade bans or disruptions in energy flows or by demanding spheres of influence. And it is about protecting our 25-year American investment in

the prospect of a Europe whole, free and at peace and the example that it sets for nations and people around the world who want more democratic, prosperous futures. That is why the President's FY 2016 request also includes additional resources to help Moldova, Georgia, and other partners throughout the region resist external pressures, including by countering Russian propaganda and disinformation, increasing energy security, strengthening democratic institutions and civil society, fighting corruption, strengthening security and borders, diversifying trade, and promoting economic reform.

B. We are helping Ukraine meet its urgent macro-financial needs through the provision of loan guarantees. In May 2014, the United States provided the Ukrainian Government with a \$1 billion loan guarantee. In January 2015, we announced a second \$1 billion loan guarantee for the first half of 2015, provided Ukraine remains on track with its new IMF reform program. If Ukraine continues making concrete progress on its reform agenda and if conditions warrant, the U.S. Administration will work with Congress to consider providing an additional (third) \$1 billion loan guarantee in late 2015. The proceeds of these loan guarantees enable Ukraine to stabilize its economy and protect the most vulnerable households from the impact of needed economic adjustment.

In addition to U.S. loan guarantees, we are supporting policy changes that will put the Ukrainian economy on a more sustainable path and lay the groundwork for growth in important sectors of the Ukrainian economy. For example, we are deploying expert technical advisors to help stabilize the financial sector and implement key reforms in partnership with the Ukrainian Finance Ministry and National Bank. These advisors support a range of reforms related to issues such as banking supervision, public-sector debt management, infrastructure finance, and taxation. We are also helping Ukrainian authorities to carry out reforms that will boost private sector investment in agriculture, improve access to credit and capital investment for farmers, and streamline agricultural sector regulation. The United States also is contributing to international programs, including through the EBRD and the OECD, to support increased access to finance for small- and medium-sized enterprises (SMEs) and to help Ukraine implement the reforms it needs to attract international investment.

Finally, we are supporting programs and reforms that will help improve Ukraine's business environment and contribute to a stronger Ukrainian economy. U.S. assistance supports Ukraine's efforts to fight corruption and strengthen the rule of law; increase energy security, including by helping Ukraine produce more of its own energy and improve energy

efficiency; and strengthen its democratic institutions and the role of civil society and independent media to hold the new government accountable to its commitments.

X. Ukraine remains dependent on Russian gas, but is working aggressively to diversify its energy supplies. We are working with European Allies to increase reverse flow capacity from Slovakia, Poland, and Hungary to Ukraine, and we are also supporting projects to help Ukraine draw greater yields from its own gas fields. In addition, we are working with Ukrainians at the municipal level to promote energy efficiency and thereby reduce demand for Russian gas.

**Questions for the Record Submitted by
Representative Nita M. Lowey (6)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question :

Green Climate Fund

This year's budget request includes the first contribution for the Green Climate Fund to help developing countries strengthen their resilience to climate change. Climate change is a direct threat to every investment made by this bill. New challenges to biodiversity, agriculture, natural resources, and direct conflict could undermine much of the developmental progress we have made globally. And it is not just our development efforts, the global economy and prospects for U.S. businesses will be affected by rising seas, erratic weather patterns, and lost productivity.

- A. Can you explain how the Green Climate Fund complements and is value-added to the work the U.S. is doing bilaterally?
- B. Have U.S. contributions to the Climate Investment Funds (CIFs) had the intended impact, in terms of leveraging non-U.S. funds?
- C. What are the lessons learned from the CIFs that can be applied to the management and use of the Green Climate Fund?

Answers:

A. The GCF compliments many areas where the U.S. has focused bilaterally including building a stronger global economy, catalyzing private sector investment and ensuring resilience to climate change is mainstreamed in order to ensure future costs are minimized. For instance the GCF can be expected to add value in the following ways:

The GCF will enable vulnerable countries to develop resilience to extreme weather events, mitigating disruptions, instability, and exacerbated security threats. The GCF will invest in things like early warning systems, “climate-resilient” infrastructure and technology that gives communities access to the climate data they need to plan ahead. More resilient communities will be better prepared to sustain shocks that would otherwise have to be addressed with more expensive relief, and reconstruction. A dollar invested in resilience helps save many more dollars in cleanup and stabilization costs. This will help safeguard the hard-won gains of many years of U.S. development assistance in food security, health, infrastructure, economic growth, and other areas.

GCF investments will enable dynamic emerging economies to keep growing while emitting less carbon, and that means a better chance of keeping global emissions below dangerous levels. For instance, the GCF can help ensure that new energy technologies become cost-competitive and help make sustainable, resilient, low-emission development the new norm. To this end, the GCF is intended to harness the power and the energy of the private sector to find solutions to energy access and climate change that are so needed across the globe. This is an area where American leadership, entrepreneurship and technology can make a significant global impact that is

in the best interests of all. We know this because U.S. companies have already benefited directly from investments from other multilateral funds to which the U.S. contributes. At least 52 U.S. firms, consultants, and academic institutions from 21 states have supplied services or equipment to 58 climate-related projects funded by the Climate Investment Funds and by the Global Environment Facility. We expect U.S. companies to also participate in GCF activities.

B. Yes. As of September 2014, the CIFs had attracted almost \$8 billion in donor pledges, including \$2 billion from the United States. This amounts to the equivalent of other donors having pledged \$3 for every dollar the U.S. has pledged to the CIF.

More significantly, projects funded by the CIFs have attracted significant co-financing. As of September 2014, the CIF had approved over \$5 billion in financing for projects; the total expected value of this cohort of projects is \$43.4 billion. Of the \$38 billion in expected co-financing, \$10.9 billion (29%) is from the multilateral development banks, \$12.75 billion (33%) is from the private sector and \$14.6 billion (38%) is from other public funding sources, including from host governments. This equates to for every \$1 the U.S. contributed to the CIFs as of September 2014, the CIFs

mobilized \$18.83 from the private sector and other public funding sources. (This excludes MDB financing).

C. The GCF is incorporating in its design many lessons learned from experience with the CIFs and other multilateral institutions, for instance:

- *It is important to engage and mobilize the private sector from the outset of the GCF's operations.*

The GCF will have a dedicated Private Sector Facility (PSF) that can directly support entrepreneurs developing low-carbon technologies and projects, as well as adaptation efforts implemented in partnership with the private sector. The PSF aims to mobilize capital from private sector entities from both developed and developing countries and facilitate innovative instruments that catalyze greater private sector investment in developing countries. The GCF Board is also advised by a standing Private Sector Advisory Group, composed of business leaders from developed and developing countries.

- *Addressing adaptation in addition to mitigation is critical.*

Building on lessons from other institutions, the GCF will balance its support for mitigation and adaptation activities, building up expertise in both

areas and positioning itself to capitalize on synergies between them. To this end, the GCF is targeting a 50/50 split between mitigation and adaptation funding on a grant equivalent basis.

- *Effectiveness is improved by making use of a large network of partners.*
- The GCF will have more countries eligible for funding than most other climate funds and certainly more than the CIFs. As such it will work through a large network of partners to help it reach more regions and communities, as well as unlock opportunities in both adaptation and mitigation in hard to reach locations. Also, by leveraging partner organizations and working through implementing entities, the GCF is able to remain streamlined and avoid a large bureaucracy.

**Questions for the Record Submitted by
Representative Nita M. Lowey (7)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question:

Sequestration and the FY 2016 Budget

The threat of sequestration returning for FY 2016 with more indiscriminate, across-the-board cuts is certainly of great concern to me, particularly as we grapple with the very tumultuous nature of the world today – Ukraine, Syria, South Sudan, Egypt, Jordan, Iran, Yemen, to name a few.

General Mattis, when he was the head of CENTCOM, testified that *“If you don’t fund the State Department fully, then I need to buy more ammunition ultimately.”* Similarly, former Defense Secretary Bob Gates always reminded us that *“Development is a lot cheaper than war.”*

- A. How big is the gap between the resources you need to respond to all the hotspots in the world and the resources provided in this budget request?
- B. What do we need to manage the threats to our security and our economy? What kind of tradeoffs will be required if sequestration proceeds as required under the Budget Control Act?
- C. Mr. Secretary, your testimony has made clear that President will not accept a budget that reverses our economic progress by locking in sequestration. What do you mean by this?
- D. What are the negative consequences of sequestration on your agency’s ability to carry out its mission. Can you be more specific? What would the effect of sequester be on the diplomacy and development activities? Would embassy security be affected?

Answers:

The FY 2016 budget request for the Department of State and United States Agency for International Development (USAID) outlines the funds necessary to strengthen our programs and platforms around the world to address ongoing and emerging national security and foreign policy priorities. It will protect our diplomatic personnel, facilities, and information. It will support the security partnerships and expand the global engagement and exchanges that serve U.S. interests across the globe. It will advance international efforts to mitigate and adapt to the harmful impacts of climate change. It will provide life-saving humanitarian assistance, and fund development programs that foster growth, health, education, democratic governance, and poverty reduction.

The Department requests that Congress fully fund the FY 2016 request in order to protect U.S. national security interests, prevent conflict, support economic growth and development overseas, and increase job-creating opportunities for American business. As the President said, “sequestration levels would also put our national security at unnecessary risk, not only through pressures on defense spending, but also through pressures on State, USAID, Homeland Security, and other non-defense programs that help keep us safe” as well as hurt our economy and

shortchange investments in the middle-class priorities. The Department of State uses economic diplomacy to support U.S. jobs and commercial opportunities by advancing international rules and institutions that foster inclusive growth and sustainable development. Sequestration cuts threaten the success of the U.S. economy and America business, which remains a priority for the Department's foreign policy agenda.

In FY 2013, for example, sequester reductions lead the Department to slow attrition replacement for both Foreign Service (FS) and Civil Service (CS) personnel, which began to 'hollow out' the Department's human resources capacity to staff critical overseas positions. Reductions to the funding provided to Educational and Cultural Exchanges resulted in the loss of more than 1,500 U.S. and foreign exchange participants from Academic programs worldwide. It also resulted in shortfalls to the U.S. obligation to contribute to International Organizations, which compromised the Department's ability to shape strategy in fora such as the G-8, the G-20, the UN and OECD. The Bureau of Overseas Buildings Operations (OBO) offset the sequestration reduction to the Increased Security Proposal (ISP) by deferring other construction and maintenance projects for our worldwide facilities.

On the foreign assistance side, the FY 2013 sequester resulted in cuts of \$1.55 billion, including \$200 million to humanitarian accounts, hampering our ability to respond to humanitarian disasters at a time when the world faced growing needs in Syria and ongoing crises in the Horn of Africa and the Sahel. It also cut over \$400 million from our Global Health Programs account, hindering our ability to achieve global health objectives such as creating an AIDS-free generation and ending preventable mother and child deaths. International security assistance programs were cut by roughly \$500 million, including cuts to Foreign Military Financing of \$300 million, which reduced our military assistance to Israel and Jordan, undermining our commitment to their security at an especially volatile time.

To ensure the Department of State and USAID are able to effectively carryout our mission, it is critical for Congress to reverse sequestration for both defense and non-defense priorities as proposed in the FY 2016 President's budget request.

**Questions for the Record Submitted by
Representative Nita M. Lowey (8)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question:

Cuts to Humanitarian Assistance

We increased funding provided for the humanitarian assistance accounts due to unprecedented demand and need in both FY14 and FY15, yet the FY 2016 request cuts IDA by 88% and MRA by almost 20% from the FY 2015 enacted levels. We are still facing a protracted crisis in Syria, simmering conflict in South Sudan, a humanitarian crisis in the Central African Republic and suffering in Ukraine.

- A. We are currently responding to an unprecedented four Level 3 emergencies. Where are you going to find the necessary resources?
- B. Are you confident that there are sufficient funds to respond to a natural disaster or new emergency in FY 2016?

Answer:

The Administration remains dedicated to providing strong support for humanitarian programs worldwide. The President's FY 2016 request reflects the Administration's ongoing commitment to these programs, while taking into account the current constrained budget environment. The FY 2016 request includes \$2.453 billion for the Migration Refugee Assistance and \$1.741 billion for the International Disaster Assistance Account. In

addition, the Administration is requesting \$1.13 billion in Food for Peace Title II resources for emergency food assistance programming and \$50 million in the Emergency Refugee and Migration Account to respond to urgent and unforeseen needs (while the total request for Food For Peace was \$1.4 billion, \$350 million is for development programs including \$270 million from Title II and \$80 million from the Development Assistance account).

Overall, this request represents a nearly \$850 million increase from the President's FY 2015 request in response to the dire humanitarian situation resulting from the conflicts in Syria, South Sudan, Iraq, and Central African Republic, among others.

Thanks to generous support from the U.S. Congress, the U.S. Government is the largest humanitarian donor in the world, including to the crisis in Syria. We plan to continue our robust support in FY 2015 and FY 2016 while urging other donors, including the Gulf nations, to contribute to these ongoing emergencies. We will continue to ensure that we are using funds as efficiently as possible in order to meet current and unforeseen needs.

**Questions for the Record Submitted by
Representative Nita M. Lowey (9)
Secretary of State John F. Kerry
House Committee on Appropriations
March 4, 2015**

Question:

Syria

Despite the passage of Security Council resolutions 2139 and 2165 to grant more humanitarian access into besieged areas of Syria, the humanitarian situation continues to deteriorate and many communities remain out of the reach of the UN and international NGOs.

- What efforts has your department undertaken to uphold the conditions laid out in UN Security Council Resolution 2139 & 2165?
- What efforts are being taken to integrate relief and development strategies to address emerging gaps in services?

Short term funding does not completely address the long-term needs of Syrian refugees that will likely be displaced for 5-10 years. PRM, OFDA, and UNHCR have committed to expanding minimum program timelines from 3-6 months to 1 year or multi-year programs.

- Can you outline how the State Department will – in practice – shift toward longer-term programming?
- How are you prioritizing longer-term programming – that can build the capacity of local municipalities to meet needs over the long-term?

Needs in Syria, as well as in refugee hosting countries, differ by location. Localized needs will greatly benefit from decentralized responses.

- Are you programming funds directly to hosting governments through G2G agreements?
- What are you doing to ensure that bilateral funding to hosting governments trickles down to the municipal level where it is needed the most?

- How are State and USAID ensuring that local participation and concerns of civil society are incorporated into policy structures such as the Jordan Host Communities Support Platform, the Government of Jordan's National Resilience Plan, and the Lebanon Syrian roadmap and proposed trust fund?

Answer:

UN Security Council Resolutions (UNSCR) 2139, 2165, and 2191 are essential to providing emergency life-saving support to millions of Syrians in need inside the country; the United States continues to support implementation of these resolutions and calls on all armed groups, especially the Asad regime, to allow for unhindered access to people in need. Despite the authorizations contained in these resolutions, unimpeded access and delivery of aid to hard-to-reach and besieged communities remains extremely difficult in Syria. UN agencies and their partners, however, with substantial financial contributions from the United States, continue to undertake cross border humanitarian assistance deliveries under UNSCRs 2165 and 2191. As of March, these agencies have sent 85 shipments – 60 from Turkey and 25 from Jordan – into Syria. These shipments delivered food assistance for nearly 1,432,000 people; non-food items for around 1,089,000; water and sanitation supplies for around 405,000; and medical supplies for approximately 628,000 people. Last month, the UN World Food Program (WFP), supported significantly by USAID's Office of Food for

Peace, delivered food assistance to over four million people in 12 of the 14 Syrian governorates. Meanwhile, UNICEF provided aid, including water and sanitation support, education, and child protection services, to 913,657 people in February 2015 in 13 of the 14 governorates.

Since the start of the crisis and the beginning of our humanitarian programs in 2012, we have strived to reach Syrians in need through all channels, including across borders and conflict lines.

The crisis in Syria is likely to continue well beyond 2015. In response, the U.S. Government, in coordination with the UN, is increasing its focus on coordinating a longer-term humanitarian and development assistance strategy. Inside Syria, efforts to integrate longer-term strategies supportive of early recovery are currently under way as outlined in the UN's 2015 Syrian Strategic Response Plan, to which we are contributing. These efforts seek to enable the delivery of humanitarian relief while working to reduce reliance on aid and enhance the resilience of affected people, including internally displaced persons as well as host communities. Given the sharp economic decline, displacement, and high levels of poverty in Syria resulting from the war, early recovery programs under this strategic plan will entail reviving markets to inject cash into the local economy, and providing economic relief through micro-financing mechanisms, including loans and

grants. Strengthening the capacities of individuals to re-enter the labor market is also a key initiative in addressing identified needs.

It is critical to bear in mind that recovery activities cannot take root as long as the war continues. Last year, we saw the number of people displaced inside the country rise from 6.5 to 7.6 million, and the number of refugees displaced beyond border rise from 2.3 to 3.8 million. As Syrians continue to flee the crisis, they will continue to require basic humanitarian assistance.

In the region, the crisis is placing enormous strain on the governments, societies, and economies of Syria's neighbors. We are working to integrate relief efforts with USAID's long-term host country development programs, which are among its largest anywhere in the world. Our joint efforts have provided hundreds of millions of dollars to projects that provide vital services, clean water, sanitation, education, and economic opportunities to both host communities and refugees. In addition, the UN WFP food voucher program for refugees in neighboring countries has injected more than \$1 billion in total into the economies of Lebanon, Jordan, Turkey, Iraq, and Egypt through job creation and increased revenue for supermarkets taking part in the program, helping affected governments in their efforts to support communities hosting Syrian refugees. USAID's

Office of Food for Peace contributes approximately half of all WFP's funding. Meeting refugee and local community needs in this way is new for the United States, but the approach is a vital component of the effort to work with host governments to keep borders open to vulnerable Syrians and ensure their protection.

Support in Jordan

In Jordan, the U.S. government carries out joint planning with humanitarian and development actors. Since the start of the Syria crisis, the U.S. has provided more than \$489 million in humanitarian assistance for programs in Jordan to assist in coping with the effects of the Syrian crisis. These funds are in addition to our bilateral development assistance programs. Of the humanitarian assistance, approximately \$463 million has been through the UN and other multilateral organizations. The remaining \$26 million in humanitarian funding is programmed through NGOs working in Jordan. The UN and international and local NGOs partner with Jordanian municipalities, especially in northern Jordan, where refugees are concentrated, to ensure that assistance is distributed effectively to the areas that need it most. In developing the Jordan Host Community Support Platform and the National Resilience Plan, we encouraged the Jordanian government to work closely with civil society groups and local governments

to ensure their concerns and expertise are incorporated in managing the refugee challenge.

For example, USAID's Community Engagement Project is linking short-term needs to long-term development at the community level. The project helps community members—men and women, Syrians and Jordanians—come together to determine their most pressing needs. USAID then offers support for tangible improvements, from better trash collection to family-friendly public spaces to improvements to youth centers. The immediate benefits, in the form of improved services that are attuned to the specific needs of each community, are clear. The longer term benefits of cohesion and collective problem solving are equally important, laying the groundwork for communities to coexist more peacefully going forward. Increasingly, the project is adding support for local mayors, allowing them to strengthen their ability to deliver services to their constituents. USAID's education and youth programs are improving the quality of education for over 100,000 child refugees who have been forced to flee violence and are now living in Jordanian host communities, as well as training teachers on how to adequately assess these refugees academically, emotionally, and psychologically.

The U.S. government is constantly striving to ensure that humanitarian response efforts do not have an adverse effect on Jordan's long-term development and to support all levels of the government, from national Ministries to municipalities. Where possible, USAID implements much of its assistance through local structures. In Jordan, USAID programs a portion of its funds for construction oversight and engineering through host country systems, and uses Jordanian NGOs and firms as much as possible in these efforts.

Support in Lebanon

In Lebanon, the United States has provided more than \$667 million for humanitarian assistance, in addition to the funds dedicated to its bilateral development assistance program. This assistance provides not only lifesaving services for refugees from Syria but also assists vulnerable Lebanese host-communities. The humanitarian response under the new Lebanon Crisis Response Plan calls for \$2.1 billion to assist 1.5 million Lebanese and 1.5 million Syrian refugees. This Plan represents a significant shift from a UN-led response to a government-led response in which UN agencies are directly supporting Lebanese ministries to build capacity to deliver services. For example, UNICEF Lebanon is working with the Ministry of Education and Higher Education to process student enrollment,

which had formerly been done through an implementing partner. At the same time, the United States supports basic education assistance by providing computer equipment and furniture to public schools, improving the English proficiency of teachers, and training school principals, in addition to increasing community and parents' involvement in their children's education and creating extra-curricular activities for students. This U.S.-funded education program is working to strengthen school counseling and psychosocial services and improve the quality of learning for Lebanese and Syrian students. Other programs complement our education assistance specifically by supporting the most vulnerable Lebanese and Syrian populations by providing remedial education programs for Syrian and Lebanese students during the summer, including books and other materials, additional financial resources to hire additional teachers, and bus transportation for students. These education programs directly address critical needs identified in the Comprehensive Regional Strategy Framework and Roadmap as part of the international response in Lebanon.

Additionally, our humanitarian assistance through NGOs is improving critical water infrastructure in municipalities by fixing pumps, drainage systems, and reservoirs to bring clean water to Lebanese communities

hardest hit by the refugee crisis, in coordination with our development programs.

According to a joint World Bank and UN assessment, 170,000 Lebanese will be pushed into poverty by the Syria crisis. Lebanese government expenditures have increased \$1.1 billion due to the increased demand for public services, according to the assessment. Based on this assessment, the World Bank and Government of Lebanon (GOL) completed a roadmap to address the impact of the Syria crisis in Lebanon. In creating this roadmap the GOL engaged host communities and refugees themselves in the process of determining their own needs and priorities, soliciting feedback on program design and implementation. The roadmap identifies short, medium, and longer-term priority interventions to meet Lebanon's needs in a range of sectors, including health, education, water and sanitation, waste management, livelihoods, and social cohesion.

The Roadmap is an excellent example of how the international community is coming together to bridge the gap between the need for immediate relief and longer-term development needs, both of which must be addressed simultaneously, rather than sequentially. These coordinated efforts aim to address as well the needs of overburdened refugee-hosting communities and help maintain Lebanon's stability. For example, U.S.

humanitarian assistance through UN agencies and NGOs is already supporting programs in Ministry of Social Affairs Social Development Centers serving both local communities and refugees, activities identified by the Government of Lebanon in the Roadmap as a priority need. These centers, which provide primary health care, education, vocational training and activities for children, have been designated as focal points for community refugee service delivery as well. Beyond serving as platforms for programs, these centers also bring local residents and refugees together to build a sense of community and reduce social tensions.

Looking ahead, U.S. assistance, both humanitarian and development, must continue to work in tandem to address both long and short-term needs in the region. We will coordinate this assistance closely within the USG and with our international partners and host countries to maximize its impact and to bolster the stability and prosperity of our allies in the region as they grapple with the challenges of this extraordinary crisis.

**Questions for the Record Submitted by
Representative Nita M. Lowey (10A)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question: Program in Cuba

- A) How can United States involvement in closed societies like Cuba help bring democratic change? How will having an Embassy be different than the interest section to the dissident communities in Cuba as well as for Cuban Americans and other Americans who travel to the island?

Answer:

The continued promotion of universal human rights and the empowerment of all Cubans is the bedrock of our approach toward Cuba. We support the key points around which Cuban civil society groups have rallied, including Cuban ratification and compliance with various UN human rights treaties; an environment where civil society can operate freely, including through legal recognition; implementation of constitutional and legal reforms to ensure full respect for labor rights, freedoms of expression, association, peaceful assembly, and to allow for free elections; the release of prisoners arrested for political reasons; and an end to government-sponsored harassment of independent civil society.

The re-establishment of diplomatic relations with Cuba and re-opening of embassies will allow us to expand our engagement with the Cuban people and will strengthen our ability to press the Cuban government on issues, including human rights. The Department continues to monitor reports of arrests of human rights activists and speaks up on their behalf when appropriate.

**Questions for the Record Submitted by
Representative Nita M. Lowey (10B)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question: B) The D&CP request includes \$6.6 million to convert the U.S. Interests Section in Havana into a full Embassy. How much of this \$6.6 million request is above current services of the interest section? You were at 16 staff. How many more would this increase cover?

Answer:

All of the \$6.6 million requested is above the current services of the U.S. Interests Section. It will support our increased engagement with the Cuban people and Cuban government as we work to normalize relations. Our request does not include any new U.S. direct hire positions.

**Questions for the Record Submitted by
Representative Nita M. Lowey (10C)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question: C) Since 1996, Congress has appropriated \$225 million to USAID and State to support democracy assistance for Cuba. What has been accomplished with this funding?

Answer:

The United States has a long history of supporting civil society and human rights worldwide, including in countries where governments do not support basic freedoms. In Cuba, we have provided humanitarian assistance to victims of political repression, promoted human rights and fundamental freedoms with training on human and labor rights advocacy, backed civil society efforts to advocate for Cubans' freedom to make choices about their own futures, and supported the free flow of information in places where it is restricted and censored. When U.S.-funded programs began, we assisted the few nascent civil society groups on the island, who then operated primarily in a few cities. We now support the professionalization of growing, diverse civil society groups throughout Cuba and the voice of independent media. U.S. programs have increased the diversity of voices within Cuban civil society by engaging marginalized populations. Following Cuba's lifting of travel restrictions in early 2013, more civil society members have been able

to participate in training opportunities outside of Cuba, increasing their professional networks.

The Administration continues to implement U.S. programs that promote universal human rights and democratic reform in Cuba. We encourage these reforms in our engagement with Cuban officials. These programs complement other elements of our new Cuba approach announced by the President, which channel more resources to the Cuban people and empower them to take greater control over their own lives.

**Questions for the Record Submitted by
Representative Nita M. Lowey (10D)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question: D) The Department's annual human rights assessment reported that in Cuba, government organized mobs continue to assault and detain peaceful demonstrators. What, if anything, can we do to pressure the regime there to stop such reprehensible activities?

Answer:

We share your deep concern with the Cuban government's continued use of violence to suppress peaceful demonstrations and to prevent Cubans from exercising their rights to freedom of peaceful assembly and expression. We frequently speak out on human rights issues in Cuba, and we will continue to do so. Demonstrating our commitment to promoting the protection of human rights in Cuba, the President has met with representatives of Cuba's independent civil society, and senior officials from the State Department and National Security Council Staff meet with independent civil society when they are traveling through Washington, D.C. In addition, Department officials and the U.S. Interests Section in Havana regularly meet with them on the island.

This Administration is under no illusions about the continued barriers to internationally recognized freedoms that remain for the Cuban people, nor the nature of the Cuban government. As the President said December 17, we do not expect the changes to U.S. policy will effect a transformation in Cuba

overnight. However, we are convinced that, through a policy of engagement, we can more effectively stand up for our values and help the Cuban people help themselves.

**Questions for the Record Submitted by
Representative Nita M. Lowey (11)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question:

Concerns were raised during the East Africa famine about the ability of humanitarian groups to operate in Somalia because of U.S. sanctions against al-Shabaab. The Office of Foreign Asset Controls at the Treasury Department has worked to clarify the process under which humanitarian waiver and licenses are granted including the role of the State Department.

- Which departments (i.e. Department of State, Department of Defense, etc.) within the Executive Branch and which sub-agencies or offices within each Department must review license applications?
- Is there an established or formalized order in which each office reviews a license?
- If so, please provide the committee with a list, in sequential order, of offices that review and/or process licenses.
- Which of these agencies or offices must approve (as opposed to just review) a license?
- What is the average amount of time it takes for each of these offices to review a humanitarian license?
- How does the interagency process ensure timely responses to applications?
- Are there pending license applications for which no decision has yet been made?
- Are reasons for denial provided?
- In the past five years, what is the longest period of time between when a license from a non-profit humanitarian aid or development organization was submitted and when a final decision on that license was communicated to the applicant?
- Do statutes or regulations exist that prevent or hinder the issuance of licenses for purely humanitarian aid?

Answers:

The Department of State views humanitarian efforts by non-governmental organizations (NGOs) in conflict areas as consistent with our foreign policy objectives of promoting peace, stability, and security. NGOs domiciled in the United States can provide humanitarian assistance in countries not subject to comprehensive sanctions, like Somalia, without the need for a license from the Department of Treasury's Office of Foreign Assets Controls (OFAC), so long as they are not dealing with persons listed on OFAC's Specially Designated Nationals and Blocked Persons List (SDNs) or any entity owned or controlled by blocked persons. In the case of Somalia, OFAC granted a license to the Department of State and USAID that allows all NGOs operating as contractors or grantees of the two agencies to engage in certain transactions in the conduct of their official assistance activities.¹

The concerns of the NGO community, including with respect to the provision of humanitarian relief in al-Shabaab-controlled areas of Somalia, led to broader extensive interagency discussions with the NGO community regarding relief efforts in countries in which sanctions are implicated. Such discussions culminated in an OFAC guidance issued on October 17, 2014,

¹ In a letter dated March 18, 2014 to The Honorable Nita Lowey, Ranking Member of the Committee on Appropriations, OFAC laid out the details of this license to the Committee.

clarifying the reach of economic sanctions for NGOs involved in humanitarian assistance, which is found at:

http://www.treasury.gov/resource-center/sanctions/OFAC-enforcement/Documents/ngo_humanitarian.pdf.

Where appropriate, OFAC sanctions regulations generally authorize the provision of certain humanitarian activities by registered NGOs without the need for a specific license from OFAC. In cases where a specific license is required, either to operate in a sanctioned country or to interact with a sanctioned person, entity, or designated group, the NGO must apply to OFAC for such a license. OFAC, in its discretion, may request foreign policy guidance from the Department of State. In cases where foreign policy guidance is requested, the Bureau of Economic and Business Affairs' Office of Sanctions Policy and Implementation coordinates the Department of State review of these applications with relevant functional and regional bureaus to provide its recommendation to OFAC. Additional information regarding the sanctions programs administered by OFAC and its online application process can be obtained on OFAC website at www.treasury.gov/OFAC.

**Questions for the Record Submitted by
Representative Nita M. Lowey (12A)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question:

Over the last decade, the number of U.S. government agencies operating overseas as well as the number of personnel posted overseas has increased dramatically.

Given the current budget environment and the rising costs of maintaining Department of State facilities abroad, how can the Department of State ensure that other agencies pay the full cost of posting their personnel abroad?

Answer:

While there have always been overhead expenses that fall exclusively on the Department of State, dramatic inroads have been made toward equitably sharing the costs of operating and maintaining the diplomatic platform. State has a number of cost-sharing mechanisms to ensure that other USG agencies pay for their share of the diplomatic support services.

The Bureau of Overseas Buildings Operations has Capital Security Cost-Sharing, where agencies contribute to the cost of building new diplomatic facilities overseas. Under Maintenance Cost-Sharing, agencies contribute to the cost of maintaining these facilities. Cost sharing is

mandatory. State does not have to build space for any agency that does not contribute to cost-sharing.

The International Cooperative Administrative Support Services (ICASS) system is the principal means by which the U.S. Government provides and shares the cost of common administrative support at posts overseas. The Department of State is the primary service provider, and it offers these administrative support services to other agencies using a Working Capital Fund. Agencies participate in formulating ICASS budgets at post and oversee the process in Washington through the interagency ICASS Working Group.

The Department of State has no authority to compel agencies to participate in ICASS despite the economies of scale and cost savings identified by the Government Accountability Office in 2012. However, from a practical standpoint, most agencies are subscribed to most services, including financial management, local guard programs, health services, and building operations. Not all of these are mandatory in policy, but few agencies have the capability or interest in providing the services for themselves.

In addition, the Department, working with the interagency community, continues to streamline service delivery overseas and seek opportunities for cost containment. For example, other agencies, led by State and USAID, recently consolidated household furniture programs. The Department and its interagency partners have and will continue to bring activities into the ICASS process when it is determined that benefits flow to multiple agencies.

The Department reviews policies for funding temporary duty positions, and uses the NSDD 38 process to ensure that agencies are aware of start-up and recurring position costs at posts. This is a focus area, especially in challenging posts, where many positions are encumbered by a series of interagency staff on short term assignments.

**Questions for the Record Submitted by
Representative Nita M. Lowey (12B)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question:

We are hearing concerns about delays in other USG agencies getting the NSDD 38 permissions from the State Department they feel they need. With the number of personnel expanding at post and security concerns growing across the globe, how is the State Department prioritizing staffing slots amongst agencies?

Answer:

The USG presence abroad continues to grow despite the increasing security risks and costs of stationing American personnel abroad. This growth trend cuts across many agencies, and arises from the mandates and funding that different Congressional committees provide. Within that context, Chiefs of Mission (COMs) abroad are encouraged consistently to balance the benefit gained by adding more positions to their Mission against the security risks and taxpayer costs inherent in approving NSDD 38 requests for agency staffing overseas.

The State Department has not prioritized and does not try to prioritize staffing slots among agencies. We do not have that authority. What authority we do have arises from legislative mandate and presidential

directive to conduct a rigorous, objective screening and scrutiny of agency requests, fully in keeping with the strategic objectives laid out by the Missions themselves, and always with a goal of keeping the USG footprint as small as necessary to achieve those objectives.

NSDD 38 requests are reviewed by the Department's Office of Rightsizing. Its analysis produces the Department's recommendations about an agency's staffing requests for the Chief of Mission to consider in his or her deliberation and decision.

Those recommendations take into consideration the foreign policy objectives of the U.S. government, the security risks that personnel might face, and the cost (\$600,000 annual average per American officer) to sustain our diplomatic platforms. It is beneficial to the U.S. government that COMs are thorough in their deliberations.

**Questions for the Record Submitted by
Representative Nita M. Lowey (12C)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 4, 2015**

Question:

Given State's resources in contingency operations, what are your concerns about the department's reliance on contractors and the ability to manage and/or oversee those contractors in hostile environments?

Answer:

Security Contractors – The Worldwide Protective Services (WPS) contract was established to provide both mobile and static security in countries such as Iraq and Afghanistan, and mobile security in the West Bank. It allows for the rapid and continued deployment of skilled contract security personnel without long-term employment commitments. The WPS contract personnel are augmented by third country nationals (TCN) and local nationals employed through the WPS contract.

The number of personnel required is influenced by the threat environment and determined through a collaborative effort between the security officers assigned to each facility and the Bureau of Diplomatic Security (DS) in Washington, DC. The desired end state is to transition to security forces comprised entirely of local nationals when possible. This endeavor, however, takes time and involves a number of factors such as the

ability to recruit, vet, and train local nationals who can effectively protect U.S. diplomats and facilities.

Government Oversight of Contract Personnel

Contract personnel are operationally overseen by direct hire USG personnel. The Department has placed additional emphasis on contract oversight. In coordination with the Bureau of Administration, DS provides thorough and comprehensive management of these contracts, and continually looks at ways to improve our oversight.

Reflecting its commitment to the improved oversight and quality of private security contractors, the United States is a participating state of the Montreux Document (2008), which sets forth existing international legal obligations and good practices for states related to the operations of private military and security contractors. The United States also actively supported a follow-on initiative – the formulation of International Code of Conduct for Private Security Service Providers (ICoC). We incorporated all elements of the ICoC into our WPS contract and remain engaged with follow-on efforts related to the ICoC.

Critical Environment Contracting Analytics Staff

In response to requirements for the Department of State enacted in Section 846 of the National Defense Authorization Act for Fiscal Year 2013

(Public Law 112-239) (NDAA 2013), the Department established the Critical Environment Contracting Analytics Staff (CECAS) in the Office of Logistics Management in the Bureau of Administration (A/LM/CECAS).

NDAA 2013 Section 846 reflected Congressional concern with the impact of relying on contractor support for Department operations and missions in contingency operations. These concerns include:

- impacts of contractor performance on the security of USG personnel and the local population;
- safety of contractor personnel;
- impacts of using contractors on the achievement of the government's operational goals.

CECAS coordinates with applicable regional and functional bureaus, program offices, acquisition specialists, and Posts to assess risks associated with using contractors in contingency environments, and develop mitigation plans to address these risks.

**Questions for the Record Submitted by
Representative Wasserman Schultz (1)
Secretary of State John Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question 1:

The Administration has requested a noticeable decrease in funding for a number of critical global health programs including for the Global Fund, Nutrition and Neglected Tropical Diseases. What process went into determining these decreased funding requests? Will you be able to meet our commitments to addressing these pressing global issues? How do you plan to consult Congress when such commitments are considered?

Answer:

The FY 2016 request focuses on three priority areas under the Global Health Initiative: Ending Preventable Child and Maternal Deaths, Achieving an AIDS-free Generation, and Protecting Communities from Infectious Diseases. We fully expect the FY 2016 funding level will allow us to meet our objectives in both improving and saving lives around the world, as described below.

- The FY 2016 budget request provides over \$2.0 billion to support USAID's effort in the global goal of Ending Preventable Child and Maternal Deaths by 2035. This effort is a continuation of the global movement started at the Child Survival Call to Action in June 2012, and the Acting on the Call event in June 2014. To date,

more than 178 governments, 220 faith-based groups, and 230 other civil society organizations have signed the pledge to end preventable child deaths. Ninety percent of USAID bilateral maternal and child health funding is in the 24 priority countries that account for three-quarters of maternal and child deaths and 50 percent of unintended pregnancies.

- We have identified the investments that will have the greatest impact, and will enable us to work together with partner countries, other donors, and multilateral organizations to save the lives of up to 15 million children and nearly 600,000 women by 2020 in the 24 focus countries.
- Funding will support a limited set of high-impact interventions that will accelerate the reduction of maternal and newborn mortality, including the introduction and scale-up of new child vaccines. For FY 2016, \$235 million is requested within Maternal and Child Health for Gavi, the Vaccine Alliance, in support of the Administration's four-year \$1 billion pledge to this important partner.
- In 2014, USAID released a Multi-Sectoral Nutrition Strategy, which is aligned with the 2025 World Health Assembly Nutrition

Targets and reaffirms both USAID's commitment to global nutrition, and our role as a major international partner in the fight against malnutrition. With this strategy, USAID aims to decrease chronic malnutrition, measured by stunting, by 20 percent through the U.S. Government's Feed the Future and Global Health initiatives, the Office of Food for Peace development programs, resilience efforts, and other nutrition investments.

- USAID's overall approach to addressing malnutrition concentrates on a multi-disciplinary approach working across funding streams to address the root causes of malnutrition. The aggregate nutrition request for FY 2016 is \$272.7 million, from a number of development and humanitarian accounts. Our focus is primarily on the prevention of undernutrition during the first 1,000 days – from pregnancy through a child's second birthday – through comprehensive programs.
- Tremendous progress has been made under the President's Emergency Plan for AIDS Relief (PEPFAR), which is the largest and most diverse HIV and AIDS prevention, care and treatment program in the world. The United States is firmly committed to the Global Fund, as a vital partner in supporting a country-owned

response to HIV, tuberculosis, and malaria. The United States has invested more than \$10.1 billion in the Fund, by far the largest contribution of any donor. The FY 2016 budget continues the Administration's strong support for the Global Fund with a request of \$1.1 billion for the U.S. contribution to the Fund. With this budget, the President is fulfilling his commitment to the Global Fund by matching \$1 for every \$2 pledged by other donors to the Global Fund's fourth replenishment (2014-2016), encouraging greater investment by other donors – including emerging donors and the private sector.

- The Ebola epidemic in West Africa vividly illustrates the perils of any country having weak disease prevention, detection, and response capacities, particularly in geographic areas where new public health threats are likely to emerge. To accelerate progress toward a world safe and secure from infectious disease threats, in partnership with other nations, international organizations and public and private stakeholders, we are seeking to prevent avoidable epidemics, detect threats early, and respond rapidly and effectively to disease outbreaks in support of the Administration's Global Health Security Agenda.

- More than one billion people worldwide suffer from one or more neglected tropical diseases. USAID focuses the majority of its NTD support on scaling-up preventive drug treatments for seven of the most prevalent NTDs – schistosomiasis, onchocerciasis, lymphatic filariasis, trachoma, and three soil-transmitted helminths. Through USAID’s partnerships with pharmaceutical companies, the vast majority of drugs are donated, valued at close to one billion dollars each year.

**Questions for the Record Submitted by
Representative Wasserman Schultz (2a, b)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question 2a:

Can you walk us through how the Department plans to implement plans to restructure military assistance for Egypt, including cash flow financing? What steps will you take to ensure Congress is involved in restructuring Egypt's military assistance?

Answer:

The Administration continues to evaluate security assistance to Egypt, including Cash Flow Financing. Ensuring that U.S. Foreign Military Financing is most effectively advancing national security objectives remains a top priority. We will conduct the legislatively required consultations with Congress on this issue.

Question 2b:

Can you summarize the defense articles currently withheld from delivery from Egypt, including the conditions under which they can be delivered? Has withholding any of those items affected the Egyptians' operational effectiveness in the Sinai or in the coalition against ISIS?

Answer:

The defense articles currently withheld from delivery to Egypt are 12 Block 52 F-16 aircraft, 91 kits of M1A1 tank components, 20 Harpoon missiles, and a number of machine guns. The Administration is carefully assessing whether and when to resume deliveries of these items.

Specifically, the Administration is evaluating Egypt's progress on political reform and each item's relevance to U.S. security interests. The Department of State has not tied resumption of delivery to a specific timeline or set of actions by Egypt. Withholding these items has not affected the Egyptians' operational effectiveness in the Sinai or as part of the coalition against ISIS.

**Questions for the Record Submitted by
Representative Wasserman Schultz (3)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question 3:

Please {let} advise on what actions the Department is immediately taking to review the bilateral aviation agreements with Qatar and the UAE.

Answer:

On January 29, Catherine Novelli, Undersecretary for Economic Growth, Energy and the Environment, met with the Chief Executive Officers of American, Delta and United Airlines who presented their calculation that the three Gulf carriers, Emirates, Etihad and Qatar Airways, allegedly received over \$40 billion in government subsidies over the last decade. The U.S carriers believe that these subsidies give the Gulf carriers an unfair competitive advantage. Representatives from the U.S carriers also met with senior-level officials at the Department of Transportation, the Department of Commerce, the Office of the United States Trade Representative, and the White House National Economic Council, and subsequently provided a similar briefing for an interagency working group that is currently analyzing these issues. The State Department is leading the interagency working

group, which includes the Department of Transportation, the Department of Commerce, and the Office of the United States Trade Representative, and we have been actively reviewing the materials provided to us by the U.S. carriers and are considering next steps. The Department values the positive working relationship we have developed with a wide range of U.S. industry stakeholders including airlines, airports, and labor associations, among others, and welcomes their views on this matter.

**Questions for the Record Submitted by
Representative Wasserman Schultz (4)
Secretary of State John F. Kerry
House Committee on Appropriations
Subcommittee on State/Foreign Operations
February 25, 2015**

Question 4:

While I brought this up at your hearing, I would like follow up from your Department on steps you are taking to ensure that the Helm's Amendment is correctly applied and that U.S. foreign assistance may be used for abortions in cases of rape, incest and life endangerment?

Answer:

The Administration takes this issue very seriously. We know the value of providing survivors of sexual violence with much needed sexual and reproductive health and psycho-social services and believe it essential to helping them recover from trauma so that they can rebuild their lives and their communities. As such, the Administration regularly reviews our policies to ensure we are taking all appropriate measures to improve the health and status of women and girls around the globe, including survivors of sexual violence.

TUESDAY, MARCH 17, 2015.

**UNITED STATES AGENCY FOR INTERNATIONAL
DEVELOPMENT****WITNESS****HON. ALFONSO E. LENHARDT, ACTING ADMINISTRATOR, UNITED
STATES AGENCY FOR INTERNATIONAL DEVELOPMENT****OPENING STATEMENT BY CHAIRWOMAN GRANGER**

Ms. GRANGER. The Subcommittee on State, Foreign Operations, and Related Programs will come to order.

I want to welcome the Acting Administrator of the U.S. Agency for International Development, Ambassador Al Lenhardt.

Ambassador, we look forward to hearing your testimony and certainly with working with you.

USAID responds to some of the most challenging problems in the world, from tackling emergency situations, such as the Ebola outbreak in West Africa and the humanitarian crisis in Syria, to addressing long-term development needs in some of the poorest, most conflict-stricken places around the globe. I am proud of our men and women who serve overseas in our military and USAID missions, the Peace Corps, and our embassies around the world. I want to ensure that the United States continues to lead on the world stage.

Real leadership requires the willingness to review what is going well and what isn't. I believe there are many areas of USAID that could see improvement that I hope we can work together to address. My first concern is that there are many U.S. Government agencies involved in health, development, and disaster response activities overseas. I am concerned that responsibilities may not always be clear, that agencies may duplicate each others' efforts, and coordination may not occur as it should.

As you well know, as a former ambassador to Tanzania, an embassy that was attacked in the 1990s, desk space at U.S. embassies comes with a high price because of the security required. Overseas positions for all agencies should be carefully considered to ensure that the work gets done effectively and efficiently by the agency with the most appropriate skills to address the problems at hand. There is no room today certainly for replication of budgets.

Another challenge that former Administrator Shah tried to address, is with the Feed the Future Initiative, and I hope you will continue to do so with other programs as well.

In many countries USAID tries to do too much. The Agency needs to continue focusing on reducing the numbers of programs it manages and do those very well. You should terminate the programs that don't work or may be causing you to spread the Agency's people and resources too thin. I would love to work with you on some of those.

My next concern is that it is difficult to get access to USAID. There are many American businesses, faith-based organizations, and universities that have development ideas to bring to the table, and we consistently hear complaints that they can't find ways to partner with the Agency. So I would hope you would look at that.

Ambassador Lenhardt, with your military background and your time spent as a diplomat, you bring a great perspective to the Agency. I hope you can discuss some of the management challenges that are directly related to your budget and we can work together to solve them.

The budget request includes \$22 billion that USAID manages entirely or partially. This includes a \$269 million increase for USAID's operating expenses. It is, frankly, very unlikely that our subcommittee's allocation would allow us to address all the areas identified in the request, so we will have to work closely together to prioritize many competing demands in international development, health, and humanitarian programs.

I want to close by thanking you and the men and women of USAID as well as your implementing partners, who are committed to solving some of the most difficult global development issues around the world, often in very dangerous places. All of us on this subcommittee understand and appreciate that work.

I will now turn to my ranking member, Mrs. Lowey, for her opening remarks.

**FOR IMMEDIATE RELEASE**

March 17, 2015

Contact: [Steve Dutton](#) | (202) 225-5071**GRANGER OPENING STATEMENT: BUDGET HEARING - UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT**

The Subcommittee on State, Foreign Operations, and Related Programs will come to order.

I want to welcome the acting Administrator of the U.S. Agency for International Development, Ambassador Al Lenhardt. Ambassador, we look forward to hearing your testimony today.

U.S.A.I.D. responds to some of the most challenging problems in the world - from tackling emergency situations such as the Ebola outbreak in West Africa and the humanitarian crisis in Syria, to addressing long-term development needs in some of the poorest, most conflict-stricken places around the globe. I am proud of our men and women serving overseas in our military, U.S.A.I.D. missions, the Peace Corps, and our embassies around the world. I want to ensure that the United States continues to lead on the world stage.

Real leadership requires the willingness to review what is going well and what is not. I believe there are many areas of U.S.A.I.D. that need improvement, and I hope that we can work together to address them.

My first concern is that there are many U.S. government agencies involved in health, development, and disaster response activities overseas. I am concerned that responsibilities may not always be clear, agencies may duplicate each other's efforts, and coordination may not occur as it should.

As you well know as a former Ambassador to Tanzania, an embassy that was attacked in the 1990's, desk space at U.S. embassies comes with a high price because of the security required. Overseas positions for all agencies should be carefully considered to ensure that the work gets done effectively and efficiently by the agency with the most appropriate skills to address the problems at hand. There is no room in the federal budget for duplication.

Another challenge is one former Administrator Shah tried to address with the feed the future initiative, and I hope you will continue to do so with other programs as well. In many countries, U.S.A.I.D. tries to do too much. The agency needs to continue focusing on reducing the number of programs you manage, and do those well. You should terminate the programs that do not work or that may be causing you to spread the agency's people and resources too thin.

My next concern is that it is difficult to get access to U.S.A.I.D. There are many American businesses, faith-based organizations, and universities that have development ideas to bring to the table, but we consistently hear complaints that they cannot find ways to partner with the agency.

Ambassador Lenhardt, with your military background and your time spent as a diplomat, you bring a new perspective to this agency. I hope you can discuss some of these management challenges that are directly related to your budget, and we can work together to solve them. The budget request includes \$22 billion that U.S.A.I.D. manages entirely or partially. This includes a \$269 million increase for U.S.A.I.D.'s operating expenses.

It is very unlikely that our subcommittee's allocation will allow us to address all of the areas identified in the request, so we will have to work closely together to prioritize many competing demands in international development, health, and humanitarian programs.

I want to close by thanking you and the men and women of U.S.A.I.D., as well as your implementing partners, who are committed to solving some of the most difficult global development issues around the world, often in very dangerous places. All of us on this subcommittee understand and appreciate that work.

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OPENING STATEMENT BY MRS. LOWEY

Mrs. LOWEY. Thank you, Madam Chair.

Welcome, Acting Administrator Lenhardt. As a fellow New Yorker, I welcome you to our subcommittee and I look forward to discussing the President's vision for development and global health.

We cannot build the world we want for ourselves and future generations without a strong, stable, and well-resourced development policy. USAID has spent the last several years endeavoring to rebuild itself as a premier development agency on the front lines of poverty reduction and disease eradication while leading international efforts to advance economic opportunity, health, education, food security, and democracy activities.

The efforts of you and your AID colleagues, made possible only by the continued generosity of the American taxpayer, make us all proud. With so many challenges around the world it is our responsibility to make sure that USAID has the tools to prioritize global needs, effectively implement its programs, and evaluate what is and what is not working. And when challenges arise, Congress and the Agency need to speak frankly on how to remedy them.

This year's request includes a significant increase for Central America to address the root causes and rapid increase in migration of unaccompanied minors. How does this initiative build on previous efforts in the region and to what extent are the Central American countries prepared to partner with you? I know we agree that our chances of success are significantly enhanced when local governments are fully engaged and prepared to contribute. I hope you will also address the long-term plan.

I understand USAID cannot nor should be present in every country in the world. Nevertheless, is this year's dramatic increase for Ukraine, Moldova, and Georgia an attempt to make up for the fact that USAID has not been very active in Eastern Europe in recent years? Given Russia's continued provocation against Ukraine and its neighbors, is the requested assistance still adequate? How will USAID prioritize any new funding?

I was very pleased that the Congress provided \$2.6 billion in emergency funding to help combat the Ebola outbreak in West Africa. The U.S. response continues to showcase USAID's ability to lead international humanitarian efforts, particularly during a time of crisis.

The outbreak also reinforced that robust national health systems are an absolute necessity and that without one in place crises are far worse, require far greater resources, and are likely to reappear. I hope you will address how we can build an appropriate health infrastructure to prevent another disease outbreak.

I also need to raise two additional issues. First, basic education funding. The fiscal year 2016 request once again cuts current levels despite widespread agreement on the importance of these programs to the United States and millions of children around the world. I hope you will commit to working with me on both the amount of resources and the quality of USAID's basic education programs this year.

The second issue is family planning. Giving women some measure of control over the size and spacing of their families has long-

lasting benefits to them, their children, and their communities. I hope we can all work together this year to address this basic need without partisan fights and divisive policies.

In closing, as I have said before, the strength of USAID is and always has been its dedicated public servants from the top down. While I know we will all miss Administrator Shah's tireless efforts, I look forward to working with you and to building on the many endeavors started under his leadership.

Thank you, Madam Chair.

Ms. GRANGER. Thank you.



Committee on
Appropriations – Democrats



Lowey Opening Statement at Hearing on USAID 2016 Budget Request

Appropriations Subcommittee on State, Foreign Operations, and Related Programs

March 17, 2015

Acting Administrator Lenhardt - as a fellow New Yorker I welcome you to our Subcommittee. I look forward to discussing the President's vision for development and global health. We cannot build the world we want for ourselves and future generations without a strong, stable, and well-resourced development policy.

USAID has spent the last several years endeavoring to rebuild itself as a premier development agency – on the frontlines of poverty reduction and disease eradication – while leading international efforts to advance economic opportunity, health, education, food security, and democracy activities. The efforts of you and your AID colleagues, made possible only by the continued generosity of the American taxpayer, make us all proud.

With so many challenges around the world, it is our responsibility to make sure USAID has the tools to prioritize global needs, effectively implement its programs, and evaluate what is and what is not working. And when challenges arise, Congress and the Agency need to speak frankly on how to remedy them.

This year's request includes a significant increase for Central America to address the root causes and rapid increase in migration of unaccompanied minors. How does this initiative build on previous efforts in the region and to what extent are the Central American countries prepared to partner with you? I know we agree that our chances of success are significantly enhanced when local governments are fully engaged and prepared to contribute. I hope you will also address the long-term plan.

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In closing, as I have said before, the strength of USAID is, and always has been, its dedicated public servants from the top down. While I know we will all miss Administrator Shah's tireless efforts, I look forward to working with you and building on the many endeavors started under his leadership.

Ms. GRANGER. Ambassador Lenhardt, please proceed with your opening remarks. I would encourage you to summarize your remarks so we leave enough time for questions and answers. Your full written statement will be placed in the record. And we understand that votes are going to be called about 3:30, so we hope to have everyone be able to ask their questions. Thank you.

Mr. LENHARDT. Thank you, Chairwoman Granger, Ranking Member Lowey, and members of this subcommittee, for allowing me to discuss the fiscal year 2016 budget request for the United States Agency for International Development.

Thanks to strong interagency partners and bipartisan support in Congress, we are fortunate to have leaders throughout government who understand the importance of development to our own Nation's security and prosperity. At USAID, we believe that by partnering to end extreme poverty and promoting resilient democratic societies we are helping developing countries transform into peaceful, open, and flourishing partners for our own Nation.

As I testify today, my colleagues at USAID are supporting that mission and representing our country in dynamic and challenging environments around the world. We are rooting out threats before they reach our shores, unlocking flourishing markets for American businesses, and connecting our young people and universities with global opportunities, all for less than 1 percent of the federal budget.

This year's budget request advances our country's interests while responding to pressing national security priorities all over the world, from Nigeria to Honduras. By leveraging public-private partnerships and harnessing innovation we are maximizing the value of each and every dollar entrusted to us. At the same time, we are making difficult choices about where our work will have the greatest impact, shifting resources and personnel to better advance our mission of ending extreme poverty around the world.

These investments have delivered real, measurable results on behalf of the American people. Our Feed the Future program has helped 7 million farmers boost their harvests with new technologies and improve nutrition for more than 12 million children. Power Africa has mobilized \$20 billion in private sector commitments and encouraged countries to make critical reforms. And thanks to a groundbreaking investment in child and maternal survival, we are on track to save the lives of up to 15 million children and nearly 600,000 women by the year 2020.

These efforts are at the very core of the new way of doing business at USAID. After 5 years of reform, I am confident our Agency is now a more accountable and effective enterprise. Yet, I am equally humbled by the challenges before us and recognize that we have much more work ahead of us. That is why my focus will be on one core discipline, management. I will push our Agency to be more innovative and strategic in our effort to get better every day, because while we may not have all the right answers, we are asking the right questions. Above all, I will ensure that we are good stewards of the precious resources entrusted to us.

Spending over 30 years in the Army and becoming a two-star general, and later as an ambassador to Tanzania, may not be the typical path to a job in development. But even though my journey

was different from the development professionals with whom I have the privilege to serve, my conclusion is the same: America's investment in development is money well spent. Saving children from hunger and disease elevates our own moral strength. Empowering entrepreneurs to innovate and create new markets advances our own prosperity. Strengthening civil society not only gives a voice to the oppressed, but also makes our own citizens more secure.

Through our work, we are opening up new paths to opportunity, energizing the global economy, and reducing root causes of insecurity. In doing so, we are advancing the values that unite the American people and the people throughout the world.

As we work to tackle these global challenges, we will value your counsel on how we can become even more accountable and more effective.

Thank you for your kind attention. I look forward to answering your questions.

Ms. GRANGER. Thank you so much.

Testimony of Alfonso E. Lenhardt
Acting Administrator, U.S. Agency for International Development
Subcommittee on State, Foreign Operations, and Related Programs
House Committee on Appropriations
March 17, 2015

Thank you Chairwoman Granger, Ranking Member Lowey, and Members of the Subcommittee. I am pleased to join you to discuss President Obama's fiscal year 2016 budget request for the United States Agency for International Development (USAID).

Thanks to bipartisan support in Congress and from the American people, USAID is responding to unprecedented development challenges, including some of the most pressing events unfolding on the world stage today. By partnering to end extreme poverty, reduce state fragility, and promote resilient democratic societies, we help developing countries transform into peaceful, open, and flourishing partners for our nation.

In West Africa—where the Ebola epidemic threatened tens of thousands of families—we continue to lead an international coalition to tackle the outbreak with a strategy driven by evidence, innovation, and data. Led by our Disaster Assistance Response Team, we worked with the Department of Defense and the Centers for Disease Control and Prevention to mount the largest U.S. response to a global health crisis in history—coordinating thousands of U.S. Government personnel working across the region. We helped our partners recruit, train, and equip hundreds of frontline healthcare workers. We created a pipeline of critical supplies, such as protective suits and generators, and set up data systems to report precise information on new cases in real time. And we launched aggressive local information campaigns, educating vulnerable communities on how to prevent infection. In Liberia—once the heart of the epidemic—new cases have been reduced from more than 50 per day at the peak to zero new reported cases in the last two weeks. In Guinea and Sierra Leone, we are continuing to fight the epidemic with a focus on building local capacity.

In Central America—where countless children flee their homes to escape gangs, violence, and bleak economic opportunities—we are building the foundation for safe and vibrant communities. We are now deepening our partnerships with local governments, companies, and civil society in the Northern Triangle countries of El Salvador, Honduras, and Guatemala, and we are leveraging new resources and partnerships to amplify our assistance. As set forth in the Strategy for U.S. Engagement in Central America, we are reducing violence, lowering youth unemployment, and spurring broad-based economic growth in fragile towns across the region. We are also focusing on fostering public sector accountability, transparency, and effectiveness, which will ensure that our gains are sustainable.

In Syria and Iraq—where the world's most pressing humanitarian crisis rages on—we are helping millions of displaced people regain a sense of security. Today, we are providing life-saving aid by opening schools, building shelters, and providing nutritious meals. We are also working hand-in-hand with the international community to root out instability, monitor emerging conflicts, and ensure the safety of civilians caught in conflict.

In Ukraine—where citizens are working to establish a stable and sovereign democracy—we are supporting constitutional reforms and citizen dialogues with local authorities that can lead to a more transparent and responsive government. We are also bolstering Ukraine’s fragile economy, particularly by improving energy efficiency, strengthening trade, and fighting corruption.

In the Philippines—where recent typhoons have devastated communities—we are building resilience to natural disasters. Instead of simply responding to crises by alleviating suffering and providing food in an emergency, we are shifting our focus to help prevent widespread devastation in the first place. In the wake of Typhoon Haiyan, we not only reached nearly three million people with emergency food aid, but also built response systems that will protect against future shocks. When Typhoon Hagupit hit a year later, towns quickly deployed stockpiles of fuel and chemicals for water treatment—ensuring that damaged communities stayed safe from water-borne diseases.

For less than one percent of the federal budget, the foreign assistance request by President Obama drives strategic engagement in the Middle East and North Africa, as well as across Asia-Pacific and Latin America. It preserves the gains we have made in Afghanistan, building upon the heroic efforts of our Nation’s frontline civilians and service members. And it helps vulnerable communities from Ecuador to Ethiopia develop and strengthen their resilience to conflict and natural disasters.

USAID’s approach is embodied in our mission statement: *We partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity.* It emphasizes our commitment to helping the world’s most vulnerable people move from dependency to self-sufficiency while strengthening U.S. national security.

FOCUSING ON ACCOUNTABILITY AND RESULTS THROUGH A NEW MODEL

The FY 2016 budget request for USAID managed or partially managed accounts is \$22.3 billion, seven percent above the FY 2015 enacted funding for these accounts.

We are focused on maximizing the value of every dollar. Over the past five years, we have made difficult choices about where our work will have the greatest impact—shifting resources and personnel to better advance our mission of ending extreme poverty around the world.

Since 2010, USAID Missions have reduced the number of program areas from nearly 800 to 512 in this budget—or by 35 percent. USAID global health program areas have been phased out of 23 countries. In 2010, the Feed the Future portfolio had 56 countries, it currently has reduced the total number of countries by 25 to 31.

Under USAID Forward, we have transformed our Agency into a more efficient, nimble, and accountable enterprise. We revitalized our policy and budget capacity; strengthened monitoring, evaluation, and accountability; and embraced science, technology, and public-private partnerships across our programs.

These reforms are at the core of our new way of doing business—one that has a relentless focus on delivering real, measurable results on behalf of the American people.

Despite progress made, we have a ways to go. So we are working to be more efficient and effective as a learning organization. Today, our major programs are independently evaluated, and those evaluations—both positive and negative—are available right now online, with many accessible via an iPhone app. At least half of these evaluations have led to mid-course corrections. Through evaluations in Haiti, for example, we have harnessed data to target community vaccination drives and nutrition supplements in the most vulnerable neighborhoods. According to Haiti's latest Demographic and Health Survey—the gold standard for tracking public health progress—these efforts have helped drive under-5 child mortality down by more than 20 percent over the past 15 years, despite the earthquake.

We have taken concrete steps to ensure that our Missions are generating reliable and current data on our performance—which improves accountability, increases our impact, and cuts costs. We also created robust platforms and training seminars to ensure our data is held to the highest standards of precision, timeliness, and validity, even as we work in remote and restrictive environments.

At the same time, we created contractor compliance systems that have already executed over 230 suspension and debarment actions—25 times the number the Agency executed just a few years ago. In Afghanistan, we have kept over \$645 million from being awarded to those who did not meet our vetting requirements.

At a time when great ideas and inspirational leadership come from every corner of the world, we are supporting innovative solutions that will lead to sustainable development. Today, we are embracing direct partnerships with change-agents who have invaluable in-country knowledge, networks, and expertise.

This focus on small and local partners has delivered dramatic results. Last year, we worked with 1,150 local organizations in 74 countries—and our Agency partnered with more American small businesses than ever before. As a result of our partnerships, for example, a teaching hospital in Kenya hired a U.S. university to continue its HIV/AIDS research. And a farmers' association in Guatemala became our signature partner in strengthening food security for 32,000 families.

Through our Development Credit Authority (DCA), we are leveraging resources from the private sector to seed small businesses—\$769 million in 2014 alone. Since 1999, DCA has unlocked \$3.7 billion in private capital, with more than half of that in just the last four years. With 98 percent of all loans repaid, it is supporting a global community of entrepreneurs and unlocking new business opportunities for the United States.

To accelerate our momentum, other initiatives are leveraging DCA's unique capabilities. For instance, less than two years since the launch of Power Africa, USAID has mobilized over \$170 million in financing for projects across the continent, ranging from hydro power systems to rooftop solar battery charging stations.

ACCELERATING DEVELOPMENT THROUGH SCIENCE, INNOVATION, AND PARTNERSHIP

In the past, we identified problems and designed solutions by ourselves. Under our new way of doing business, we are now throwing open the doors of development with a suite of open competitions, prizes, and partnerships to source, test, and scale proven solutions.

This past year, we launched the U.S. Global Development Lab—a groundbreaking investment in the power of science, technology, innovation, and partnerships to bend the curve of progress. It will generate, test, and scale breakthrough solutions to complex development challenges, while attracting private sector investment to improve the sustainability of our efforts.

With a diverse array of partners—from Cargill to Coca-Cola, Texas A&M to Johns Hopkins, CARE to Catholic Relief Services—the Lab is investing in high-impact innovations, like low-cost infant resuscitation devices and new personal protective suits for Ebola health care workers. In doing so, it accelerates success in areas where our progress has fallen short of our ambitions.

Our Development Innovation Ventures (DIV) program—established to find, seed, and scale cost-efficient innovations—has invested in more than 100 ideas across 35 countries, such as a \$10 device that prevents the leading cause of maternal mortality. In East Africa, for instance, DIV is supporting an innovative chlorine dispenser system that is providing access to clean drinking water to approximately 3 million people across East Africa, with the goal of reaching 2 million more. In doing so, it will save 3,200 children from preventable deaths—all at just two percent of the cost of existing approaches.

We recently took this model to a new level by launching the Global Innovation Fund, an international impact investing partnership that will apply venture capital-style rigor to invest in high-potential development solutions. In addition, over the past four years, we have launched six Grand Challenges for Development competitions to generate game-changing ideas on issues including maternal and child health; clean energy for agriculture; childhood literacy; water for food production; and open government—with nearly half of the submissions coming from the developing world.

For example, we recently initiated a *Fighting Ebola* Grand Challenge for Development to generate new tools to help frontline health care workers provide better care. In just two months, USAID received more than 1,500 ideas from a global community of innovators—from re-engineered personal protective suits to lotions that repel the virus. One award nominee is Johns Hopkins University, which created a personal protective suit prototype with easy-to-open zippers and a built-in cooling fan that runs off a cell phone charger. While the old suits took 22 steps and 15 minutes to take off safely, these new ones come off in less than 60 seconds, all in one fluid motion.

Taken together, these initiatives have the potential to redefine the way we work around the world. Our Agency's open competitions have received more than 10,000 applicants, and nearly 70 percent of them have never worked with us before. Our staff is working hand-in-hand with new partners—epidemiologists, students, and engineers alike—to build a global community of humanitarians dedicated to our mission of ending extreme poverty.

Through our new way of doing business, we are tapping into talent everywhere to transform lives faster, and more efficiently, than ever before. In more than 70 countries, USAID is delivering extraordinary results across critical areas, from agriculture to power.

REDUCING HUNGER AND EXTREME POVERTY

In this request, \$1.02 billion is devoted to Feed the Future, the U.S. Government's global hunger and food security initiative, of which \$978 million is requested in USAID and State accounts. Built on decades of bipartisan support for U.S. foreign aid, Feed the Future has evolved into a global movement designed to end hunger and extreme poverty through business, science, and partnership.

Through Feed the Future, we have supported our partner countries to increase agricultural productivity, expand markets, and increase rural incomes. In 2013 alone, we reached nearly 7 million farmers with new technologies that boost harvests—and, working in concert with USAID's Global Health and Food for Peace efforts, we improved the nutrition of 12.5 million children.

These efforts are paying off in the form of increased yields, higher incomes, and more dynamic economies. In 2014, our efforts enabled smallholder farmers in targeted countries to earn more than \$530 million in new sales of agriculture products—representing a three-fold increase over the previous year.

In Zambia, we improved access to better seeds and fertilizers, contributing to a record maize harvest that was 30 percent larger than the year before. In Ethiopia, we helped drive down stunting rates by 9 percent in just three years—resulting in 160,000 fewer children suffering from one of the most crippling effects of malnutrition. In Bangladesh, we contributed to an almost 15 percent reduction in stunting during the past three years across the two regions where Feed the Future is focused—resulting in an estimated 100,000 fewer stunted children.

Three years ago, President Obama elevated food security to the global stage, creating a landmark public-private partnership with the G8 called the New Alliance for Food Security and Nutrition. Representing a shared commitment among African leaders, donors, and private sector, the New Alliance has leveraged \$10 billion in investment from 200 companies—the majority from local African firms, including farmer-owned businesses.

Feed the Future is also at the forefront of our Agency's effort to build resilience. Today, we are promoting cutting-edge technologies and management practices that increase crop and livestock production—even in the face of unpredictable conditions and shocks. In places like the Horn of Africa, we are using drought and flood-resistant seeds and better livestock management practices to protect harvests and preserve economic stability. Not only does this dramatically reduce widespread hunger and stunting, but it empowers local farmers and herders to invest in their assets, which helps them move from dependency to self-sufficiency.

ENDING PREVENTABLE DEATHS

Thanks to strong bipartisan support for our global health efforts, we are saving more lives than ever before. In this budget, USAID and the Department of State are requesting \$8.2 billion in funding for global health to help realize goals that were once inconceivable: ending preventable maternal and child death, protecting communities from the spread of infectious diseases, and creating an AIDS-free generation. Of this total, the USAID Global Health account request is \$2.8 billion and the State PEPFAR account request is \$5.4 billion.

Instead of trying to work everywhere at once, we've already narrowed our focus to the 24 countries that account for more than 70 percent of maternal and child deaths globally. Last June, at our *Acting on the Call* summit, we released Action Plans for each of our priority countries and management scorecards that are all reviewed quarterly which will set the pathway to realize our vision of saving the lives of up to 15 million children and nearly 600,000 women by 2020.

We are harnessing this momentum by continuing to support an array of ambitious programs. Just last month, the United States committed \$1 billion to Gavi, the Vaccine Alliance, over four years—subject to Congressional approval—to help immunize 300 million children and save at least 5 million lives by 2020. Over the past decade, the President's Malaria Initiative has contributed to dramatic reductions in childhood mortality rates in all of the original 15 PMI focus countries, ranging from 16 to 50 percent. And PEPFAR recently announced that it is now supporting life-saving antiretroviral treatment for 7.7 million men, women, and children—helping to cut new HIV cases by more than 50 percent since 2005.

INCREASING ACCESS TO POWER IN AFRICA

The FY 2016 budget request includes \$76.7 million for Power Africa. Less than two years ago, President Obama launched Power Africa, a public-private partnership that aims to double access to power—and unlock American private sector investment—across sub-Saharan Africa. To do so, we are embracing a transaction-focused approach that mobilizes new sources of private capital, trains local entrepreneurs, and encourages countries to make energy sector reforms. As a result, it not only facilitates significantly larger pools of funding for energy projects; it also ensures that firms and countries alike abide by international rules to prevent corruption and adhere to internationally recognized social, labor and environmental standards.

As part of Power Africa, more than 4,000 megawatts (MW) worth of power projects have financially closed—mostly financed by private resources—and another 15,000 MW worth of transactions are in the planning stages. For every \$1 the U.S. has committed, the private sector has committed almost \$3. To date, over 90 private sector partners have stepped forward with more than \$20 billion in commitments.

At the recent U.S.-Africa Leaders Summit, President Obama announced that the United States is tripling its goal for Power Africa to 30,000 MW of new electricity generation and bringing at least 60 million household and business connections online.

In Ethiopia, Power Africa is supporting the nation's first private power project—a geothermal energy facility that has the potential for upwards of 1,000 megawatts worth of clean energy capacity. In Nigeria, we're partnering with a local university to build a renewable, off-grid hydropower plant—expected to provide electricity to more than 10,000 rural students, professors, and community members.

BUILDING RESILIENCE TO CLIMATE CHANGE

The Global Climate Change Initiative (GCCII) invests in climate-resilient, low-emission development that is critical to sustainable global economic growth and stability. The USAID request of \$348.5 million for bilateral programs will strengthen resilience to the impacts of climate change, increase access to clean energy, and reduce emissions from deforestation and land use. These bilateral investments complement the President's commitment to the Green Climate Fund.

These efforts help to address a significant challenge to our national security and economic prosperity. According to leading reinsurance company Munich Re, over the past decade, natural disasters have cost the world an average of 106,000 lives and \$184 billion per year. More than three-quarters of global disasters are weather-related events—such as droughts, floods, storms and heat waves—that are expected to become more intense, less predictable, and increasingly frequent with climate change.

While we cannot prevent these types of shocks from happening, we can work more strategically to ensure these disasters do not devastate families or set back hard-won development gains.

This spring, we launched the Global Resilience Partnership with the Rockefeller Foundation and the Swedish International Development Cooperation Agency. The partnership will focus on regions known for recurring crises, particularly the Horn of Africa, the Sahel, and South and Southeast Asia. Through a network of regional hubs, the Global Resilience Partnership will source, test, and scale innovative solutions that are tailored to local needs—like crowd-sourced data collection tools and cutting-edge storm warning systems.

In Africa—home to some of the world's fastest-growing economies—we have reduced risk of disasters for more than 27 million people by harnessing innovative tools, like underground water mapping. And from Brazil to Indonesia, we are partnering with the Consumer Goods Forum—representing 400 companies and \$3 trillion in annual sales—to support the Tropical Forest Alliance 2020, which works to green supply chains and end tropical deforestation.

Recognizing that the adverse impacts of climate change can exacerbate instability, we are exploring new kinds of partnerships, research, and technologies. This past year, we conducted a groundbreaking exercise with U.S. Special Operations Command to map security threats against human deprivation in the Sahel, home to resurgent extremist groups. What we found was startlingly clear: the migration of people, arms, and illicit drugs mapped clearly to areas with food insecurity and water shortages. Today, we are using the results from this recent exercise as the foundation for joint civilian-military planning in other areas of crisis.

EXPANDING ACCESS TO QUALITY EDUCATION

With our commitment to accountability, innovation, and local leadership, our education programs are making a critical difference in fragile communities across the globe. Our request for Basic Education is \$600 million, an increase of 12.4 percent over our FY 2015 request.

Since we launched our Education Strategy in 2011, we have designed or realigned over 100 programs. Thanks to a relentless focus on making evidence-based investments and delivering measurable results, we have reached more than 30 million individual children over the past four years alone. These efforts have given some of the world's most vulnerable children a rare chance to realize their potential.

In a year of unprecedented global crises, we have targeted our efforts to children whose schooling has been disrupted. After nearly 300 schoolgirls were kidnapped in Nigeria, we moved rapidly to put in place an education crisis response program to expand quality education opportunities for displaced and out-of-school children in conflict-affected northeast Nigeria. In Jordan, we are supporting local officials to provide education through the public school system to more than 100,000 child refugees—including 60,000 girls—who have been forced to flee violence. And when the Ebola epidemic shut down schools for months in Liberia, we used community radio stations to broadcast education programming into half of the entire country, every morning and night. Today, we are supporting local officials as they transition millions of children back into the classroom.

We are also harnessing the power of innovation to not only educate more children, but support more local teachers. Last month, we released a new round of grants through our *All Children Reading* Grand Challenge—a competition to create scalable, low-cost education technologies. In Zambia, for instance, we are supporting an online training platform for early-grade reading teachers.

At the same time, we are supporting whole-of-government initiatives like *Let Girls Learn*, which will improve access to quality education for adolescent girls in the face of various barriers. Following the historic U.S.-Africa Leaders Summit, we are expanding the Young African Leaders Initiative across the continent. Today, we are establishing four Regional Leadership Centers that will help thousands of African students enroll in local universities and receive vocational training.

By investing in the skills and self-sufficiency of vulnerable children, we can brighten the future for millions of communities shackled by extreme poverty and conflict. With widespread illiteracy estimated to cost the global economy more than one trillion dollars this year alone, these programs not only advance America's standing as the world's development leader in education, but also energize the global economy.

INCREASING ACCESS TO CLEAN WATER AND SANITATION

Today, more than 750 million people lack access to clean water. Over 840,000 die each year from a water-related disease—more than the entire population of San Francisco.

With a budget request of \$228 million, we will continue the implementation of our first-ever Water and Development Strategy, which lays out a precise plan to enhance access to water for health and water for food. Over the next four years, we will sustainably improve the water supply for 10 million people, and reach 6 million people with access to improved sanitation. To reach these ambitious goals, we are leveraging new resources and tapping into the unique capabilities of local leaders.

In Indonesia, we are on track to improve sanitation and water services for over two million people. In Ghana, we partnered with the Coca-Cola Company, Rotary International, and local organizations to build wells and pipe systems that gave more than 112,000 people access to clean water for the first time. And with more than 17 million people in Kenya lacking access to safe water, we partnered with local banks to extend loans towards local water and sanitation projects. This past year, we leveraged the largest commercial loan for the water and sanitation sector in Kenya's history. With it, nearly 75,000 people have access to better water services.

RESPONDING TO HUMANITARIAN CRISES

Today, we face unprecedented humanitarian crises that challenge us to work even harder—and move even faster—to save as many lives as possible.

Last year was the first time in our Agency's history that we were called on to manage four large-scale emergencies simultaneously, in addition to the Ebola epidemic: Iraq, Syria, South Sudan, and the Central African Republic. In 2014 alone, our Office of U.S. Foreign Disaster Assistance responded to 49 disasters in 42 countries. The willingness of our staff and partners to head into the heart of a crisis to save lives—regardless of danger or difficulty—is one of the most profound expressions of who we are as Americans.

Syria remains the world's most devastating humanitarian crisis. There are now more than 7.6 million displaced people inside Syria—and approximately 3.8 million refugees now live in neighboring countries, placing unprecedented stresses on an already fragile region. Despite the dangers inside Syria, we have supported nearly 300 field hospitals, clinics, and medical points that have treated more than 2 million patients. Emergency food assistance, programmed through the office of Food for Peace, has reached more than 3.2 million people both inside Syria and refugees in neighboring countries.

In Iraq, we are working hand-in-hand with local, military, and non-profit partners to assist vulnerable communities under assault from the Islamic State of Iraq and the Levant. For example, as militants threatened to starve thousands of families trapped on Mount Sinjar, we worked alongside the U.S. military to air-drop 128,000 ready-to-eat meals and nearly 134,000 liters of safe drinking water to the besieged victims.

In South Sudan, more than half of the population is in need of humanitarian assistance. This year, over 2.5 million people are experiencing acute levels of food insecurity, and tens of thousands of children are at risk of severe malnutrition. We are leading the international

community to bring critical assistance to communities on the brink of famine—delivering life-saving food, water, and medicine to families trapped by endemic conflict.

As we face this array of complex crises, our investments will complement President Obama’s plan for food aid reform, which ensures that we can deliver life-saving assistance to more hungry people—in less time, and with the same resources. That is why this budget calls for the flexibility to use up to 25 percent of P.L. 480 Title II for lifesaving tools, like food vouchers and local procurement—in addition to U.S. commodities—which will allow us to reach two million more people. Most food aid will remain sourced from the U.S., sustaining the unique partnership between American food producers, the maritime community, and humanitarians— all united in an effort to save families in their greatest hour of need. We look forward to working with Congress this year to enact this historic proposal.

ADVANCING DEMOCRACY, HUMAN RIGHTS, AND GOVERNANCE

But as we respond to urgent crises, we also continue to build the foundation for enduring peace and prosperity in fragile environments. That is why this budget provides \$2.4 billion for democracy, human rights, and governance programs—a 19 percent increase from the FY 2015 request. With this investment, we will protect freedom of expression, improve accountability, and expand equality in fragile democracies. But doing so does not just mean monitoring elections. It also means fighting corruption and protecting the rights of all citizens.

In Afghanistan, for instance, we created a \$175 million incentive fund using FY 2012 and FY 2013 funds to hold the Government of Afghanistan accountable for long-term development goals—including advancing support for women and girls, fighting corruption, and establishing an improved electoral framework. The FY 2016 budget request includes significant additional funding to support a similar approach focused on conditions based incentives. In Ukraine, we are supporting anti-corruption reforms that can lead to a more transparent, stable, and responsive government. And in eight countries—from Tanzania to Bangladesh—we launched the SPRING Initiative, which will seed and scale new technologies to improve the economic outcomes of up to 200,000 girls over the next five years.

We also continue to support democratic transitions through the Open Government Partnership—an innovative international partnership between governments and civil society to encourage transparent, effective, and accountable governance. Launched by President Obama and seven other heads of state in 2011, 65 countries are now part of the Open Government Partnership. Our modest annual contributions of \$350,000 to support the secretariat have yielded more than 2,000 national commitments to improve governance in 65 countries that are home to more than two billion people.

REGIONAL FOCUS

Afghanistan

This request is tailored to support Afghanistan’s continued progress even while international assistance levels begin gradually declining—particularly by maintaining gains in health,

education, and gender equality; promoting economic growth; and improving stability by supporting more accountable and effective Afghan governance.

Our assistance in Afghanistan has helped produce remarkable gains. Back in 2001, Afghanistan had virtually no girls—and only 900,000 boys—enrolled in school. Today, more than 8 million children are enrolled in school, and over a third are girls. 40,000 Afghan women attend universities, training to be the doctors, engineers, and educators who will propel the country towards a more peaceful and prosperous future. This past year in Kabul, we officially launched Promote—the largest program in our Agency’s history focused on empowering women. It will help 75,000 women achieve leadership roles in all parts of society, from business to academia to politics.

Central America

Building on our strong legacy of progress in Latin America and the Caribbean, we are tackling the biggest drivers of instability by focusing on harnessing innovation, spurring economic growth, and strengthening democracy.

Last summer, thousands of Central American children left their homes to seek a better life. To address the root causes of instability, the President has requested \$1 billion for a new whole-of-government strategy for the region. In doing so, we will support a more democratic, secure, and economically integrated Central America—one that protects the safety of all citizens, provides greater economic opportunity, and has accountable public institutions. With a focus on embracing local leadership, the President’s strategy will also align with the region’s own plan, called the Alliance for Prosperity in the Northern Triangle.

We will target the underlying factors behind increased migration. In particular, we will support evidence-based initiatives that advance broad-based economic growth, accelerate rural development, and strengthen resilience across the region. For instance, we are partnering with companies like Chevron, Hanes, Cisco, Intel, and Microsoft to improve education and workforce training for at-risk youth across the region. In doing so, we can help thousands of vulnerable young people find jobs, return to school, or start their own businesses. We will also promote reforms that protect the rule of law, improve local governance, and strengthen citizen security in fragile communities. At the same time, we will closely evaluate human rights violations and the performance of the justice sector—ensuring that all citizens have access to basic services and protections.

Asia

We continue to support the Asia-Pacific Rebalance through an array of robust initiatives that foster inclusive growth; protect universal rights; boost regional trade; strengthen democracy and governance; and improve access to education and healthcare.

In India, we are supporting a partnership with the Indian government, business and development organizations to improve clean water and sanitation services for millions of vulnerable people. In

Vietnam, we are partnering with Coca-Cola to launch a micro-finance and training program for women entrepreneurs. In Bangladesh, we are deploying an innovation in fertilizer called deep urea placement that has transformed over 600,000 hectares of land—leading to the first-ever rice surplus in the country’s poorest state. And through the U.S. government’s New Silk Road initiative, we are helping to strengthen connectivity between Afghanistan and its neighbors across Central and South Asia—by reducing trade barriers, building up regional energy markets, and improving infrastructure like roads, railways, and border crossings.

ADVANCING AN EFFECTIVE MANAGEMENT AGENDA

The FY 2016 USAID request of \$1.7 billion for all Administrative Expenses enables the investments and successes outlined here.

With these investments, we will ensure that our staff is protected as they perform oversight in unpredictable and dangerous environments. We will ensure that our Missions are generating reliable data—which improves accountability, increases our impact, and cuts costs. And we will ensure that we are continuing to reform operations, improve management processes, and generate significant cost savings.

Yet, even at a time when USAID teams are on the frontlines of conflict in Ukraine, upheaval in Yemen, and an epidemic in West Africa, our request represents just 7 percent of our total resources—underscoring our relentless focus on efficiency and optimizing the use of taxpayer funding.

CONCLUSION

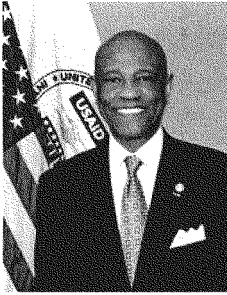
Ultimately, our investment in development represents the vanguard of our economic strength, moral leadership, and national security. At the same time, it advances an unprecedented global fight to end extreme poverty.

Since the dawn of humanity, extreme poverty has crowded at the heels of progress—stifling hopes and undermining growth across the centuries. But today, we stand within reach of a world that was simply once unimaginable: a world without extreme poverty and its most devastating consequences, including chronic hunger and child death.

As President Obama said at the United Nations General Assembly, “America is committed to a development agenda that eradicates extreme poverty by 2030. We will do our part to help people feed themselves, power their economies, strengthen their policies, and care for their sick. If the world acts together, we can make sure that all of our children enjoy lives of opportunity and dignity.”

Through our work, we are opening up new paths to prosperity, energizing the global economy, and reducing root causes of fragility and insecurity. In doing so, we are advancing the values that unite the American people and people throughout the world: a belief in the freedom, equality, dignity, and the potential of every individual.

Alfonso E. Lenhardt



Acting Administrator

Ambassador Alfonso E. Lenhardt most recently served as the U.S. Ambassador to the United Republic of Tanzania, a position he held from 2009 to 2013. From 2004 to 2009, Ambassador Lenhardt was the President and CEO of the nonprofit National Crime Prevention Council (NCPC).

He was the Senior Vice President of Government Relations for The Shaw Group from 2003 to 2004. In 2001, Ambassador Lenhardt was appointed the 36th Sergeant at Arms and Doorkeeper of the United States Senate and became the first African American to serve as an officer of the Congress. He served as Executive Vice President and Chief Operating Officer of the Council on Foundations from 1997 to 2001.

With more than 30 years of service in the U.S. Army, Ambassador Lenhardt retired in 1997 as Major General. Ambassador Lenhardt received a B.S. from the University of Nebraska, an M.P.A. from Central Michigan University, an M.S. from Wichita State University, and post-graduate studies at the Kennedy School of Government, Harvard University, and University of Michigan School of Business. He is also a graduate of the Federal Bureau of Investigation National Academy.

Ms. GRANGER. As you were talking about that, I remember when I first came on this subcommittee and we were getting ready to go and Mrs. Lowey was the chair. I received a call that was from someone named Bono who said "don't ever forget you are saving lives." There is a difference, so thank you very much.

I will go into questions. I have one question. Ambassador Lenhardt, I know that you are aware of a recent press report that the State Department funded an organization that has been involved in trying to influence the upcoming elections in Israel. USAID was not involved in that. But the question is, how would you ensure that USAID wouldn't use U.S. taxpayer dollars to fund organizations trying to influence elections, including some of those of our closest allies?

Mr. LENHARDT. Thank you, Madam Chair.

We are not involved in that situation. And before we get involved in any program, project, or activity we do a thorough assessment as to the appropriateness of it. In our involvement and our activities, we determine what are the outcomes and are they legitimate outcomes, are they ones that we want to see, and will they advance our committed work? And where the answer may be no, we don't get involved. It is that simple. So this particular case, I can assure you that we are not involved in that.

Ms. GRANGER. Thank you, very much.

Mrs. Lowey.

Mrs. LOWEY. Thank you.

As I mentioned in my opening statement, the Ebola crisis has reinforced how important functioning and capable country health systems are. They are important not just for the citizens of that country, but as Ebola has shown, they are important to the safety of U.S. citizens as well. I was glad to hear that the Liberian Government is planning their own initiative to rebuild their health system.

If you could share with us the current planning for the emergency fiscal year 2015 Ebola resources to focus on getting these countries' health systems at least back on their feet, if not better than they were before they were devastated by Ebola.

Number two, how are we building a focus on stronger health systems into all of our global health work? And how does having disease-specific funding impact work on cost-cutting issues like health systems? And lastly, how is the Global Health Security Agenda working to ensure that we are ahead of the next disease outbreak, and what role is USAID playing vis-a-vis other U.S. Government agencies?

Mr. LENHARDT. Thank you, Ranking Member Lowey, for your question. It is one that certainly we have given a great deal of thought in terms of our response. Your question is multifaceted. I will tell you at the top of this, the men and women who responded from our disaster assistance team were very effective in coordinating a response that became one that involved CDC, Department of Defense, State Department, and as many other interagency teams in orchestrating the coordination, the collaboration of all of our efforts aimed at stopping the disease.

At the height of the disease in Liberia there were 100-plus cases per week. I am happy to report now that we are near zero in terms

of getting down to a point where we can say that this has been conquered. Guinea and Sierra Leone are being handled by the French and Brits, but we are assisting there as well. We are not walking away from that. We want to ensure that we respond as much as possible across the entire breadth of this epidemic.

With respect to resiliency of institutions in Liberia, we are focused on that based upon the excellent and the great support we got from the Congress in providing for the Ebola emergency supplemental. Thank you very much for that. Those resources will be used, in fact, to bring back and reconstitute some of the institutions. Not all of them, as President Sirleaf, who was in my office about 3 weeks ago, she wanted to rebuild the entire country, and I said that was not possible, but we are certainly looking at how we can, in fact, bring you back up to a level where you then can take it forward and bring about your own increase in institutions. Medical is one, but also the economy, how might the economy be brought back, because there was a significant hit to the economy in Liberia as a result of this incident.

My point in all of that is to say simply, this is a disease that America responded to with great resources, but also a determination to ensure that we bring it down. We feel very satisfied at this point in time that things are working, and we will continue to do that to the point where we finally get this thing under control and we can put it behind us.

With respect to the Global Health Security Agenda, it is about detecting, early detection. It is about responding in an appropriate way as quickly as we can and preventing future incidents of this kind of epidemic.

Mrs. LOWEY. I yield.

Ms. GRANGER. Thank you.

Mr. Crenshaw.

Mr. CRENSHAW. Thank you, Madam Chairman.

Let me just follow up on that question, and it is part of the debate that takes place in the foreign assistance community. I think indirectly she was referring to this. On one hand, this committee will appropriate money to specific sub-accounts for specific purposes. Some people say that is good. Yet, it doesn't take into consideration that there are other issues in the countries we are trying to help, like a health system. The other side of the debate is that if you had more flexibility then you could deal with the specifics, but you could also deal with some of the broader issues that you might run into in a particular country, which they might need more.

I am wondering what you think about that. We have historically done a lot of specific appropriations, but from time to time, we have realized that we miss out on the broader picture. But if you have too much flexibility then we have a hard time maintaining our oversight capability and knowing where the money goes. Are you familiar with that debate, and is that something you have thought about? Where do you come down on that?

Mr. LENHARDT. Thank you, Congressman, for your question.

I have given a great deal of thought to this. But the reality is, in a constrained fiscal environment and competing priorities we can't do everything. We have to be much more selective and focus

on those areas where we think we can do the most good. As we, in the case of a particular country, are able to get them up to a level where they then can make it on their own, middle-income status, then we will work ourselves out of a job in that country and move on to other locations where we can, again, do the same kind of goodness.

The reality is, as many opportunities that we want to help children, help mothers, help education, as was mentioned earlier, we can't do everything. And so we have to be a lot more thoughtful about where we can have solid impact. That is what the Presidential policy directive 6 was all about. How do we stop salami slicing across the world where no one gets well and how do we focus then on those countries where we can bring them up and then move on to others where we can bring them up—

Mr. CRENSHAW. I figured that. It does make sense that, when you do that specifically, you are also helping the country in a broader sense as well and you are more focused.

I have got a little time. Let me ask a more specific question about wildlife trafficking. You know that is a crisis. It has become a multibillion industry, and there is a lot of crime involved and criminal syndicates. I am pleased to see the administration has taken this under its wing. Our subcommittee, under Chairman Granger's leadership, in 2014 appropriated \$45 million and last year \$55 million.

Sometimes I hear that money is not getting down to where it needs to be to really deal with the problem. I know it is a complicated problem. On one hand, you look at Nepal, a very poor country, but, as I understand it, 2 out of the last 3 years has had no poaching. I doubt if they spend \$45 million or \$55 million.

So can you give us a little update on how that money is being spent, and how effective that is? Because I think we want to continue this fight. They tell me that almost every 15 seconds an elephant is killed illegally in Africa. It is a huge crisis. So touch on how we are doing with the money we have already spent or we have appropriated. Is it effective?

Mr. LENHARDT. Thank you for the question, Congressman.

Our programs are aimed at helping countries develop their own capacity in terms of how they are going to manage many types of conservation. How do they protect their heritage in so many cases? And so it is about training, how do we get training focused down to those rangers and other responding patrols who are looking for poachers within a particular country.

You mentioned Nepal. It is about how do we get the Nepalese to handle their own situation, how do they then communicate to local residents so that local residents become part of the solution. It is about conservation. It is about land conservation where citizens within that country understand their participation and their need to protect the local environment so they keep poachers out. They know, by the way, who the poachers are because many of them are taking money right there on the scene. And so how do you back away from that?

So the money that we have—and again, competing priorities, constrained budgets—it is focused on how much good can we do. In

a perfect world, could we have more? The answer is yes. But the reality is, with as many priorities, that would not be wise.

Ms. GRANGER. Thank you.

Mr. LENHARDT. But it is a problem, and it is something that we are addressing in a meaningful way.

Ms. GRANGER. Thank you.

Mr. RUPPERSBERGER.

Mr. RUPPERSBERGER. Sure. Let me get into one issue, and I also want to get into tuberculosis assistance that you have been working on.

The two main concerns, that Congress has with USAID, and I want to say it is an important agency for our country to be able to handle the issues that you do. So it is a very difficult agency, I am sure, to manage because there is also a lot of money.

But you talk about how your priority was going to be management. Let's talk about what your management style will be. A lot of management has to be accountability. Are you going to be using more technology? When you have money you have to make sure that it is spent appropriately, and then come back to us on transparency and accountability.

So let me get into a little bit more detail about your management style and what you plan to do to try to deal with some of the issues that your predecessor has been dealing with. These changes aren't going to happen overnight, believe me, and you do have a good agency. So if you could discuss your management style, I would appreciate it.

Mr. LENHARDT. Thank you, Congressman, for that question.

My style starts with people. It is all about people and powering down the authority for people to do their job to the lowest levels and then having them respond with that expectation to do their jobs. And when it is not working, then you have to correct for that. You have to fix it in some way, either through training or, for that matter, replacing individuals. But it is about the positive aspect of that and releasing the energy that people have to do the job. You take care of them, ensuring that they have the tools, they have the training, and they have the development aspects of how to do their job better.

But it does not exclude, and it wraps very neatly with leveraging science, technology, innovation, and partnership. So that is a major part of it. And if I can cite some of the work that we are doing in USAID, it is about the Global Development Lab that helps our professionals who are out there doing a job. And by the way, they do superbly.

Madam Chair, I thank you very much for recognizing them for the job that they do. They work in some very tenuous, dangerous conflict areas of the world, and they do it with aplomb. They do it with the knowledge that the activities they undertake bring about a better world, and they do it without hesitation.

So all of that wraps around, I don't think you can separate anything in particular, I have given you a sense of how I come at things based upon my training both in the military, as well as a diplomat running nonprofit organizations, philanthropic organizations, for a very short period of time a business operation as well,

to tell you that it is about people. You take care of people, they take care of everything else.

And then you check to make sure that the systems that are in place to guarantee the efficiency, the effectiveness, and getting as much out of the limited resources, that is working for you as well. And when you need to make a midcourse correction, you make that. Or for that matter, if the midcourse correction says that you need to suspend, eliminate a program, then you don't hesitate to do that, having made the right judgments about how you come at it.

Mr. RUPPERSBERGER. How many employees do you have at USAID?

Mr. LENHARDT. Sir, I am sorry?

Mr. RUPPERSBERGER. How many employees do you have at USAID?

Mr. LENHARDT. The number of employees, it is just under 10,000, 9,800-and-some-odd. But, again, we are covering the world.

Mr. RUPPERSBERGER. I am not complaining about it at all. I think your answer was good. You are only as good as your people. You have to give the people the resources to do the job, hold them accountable, and you have to motivate them too.

But I would like you to just get a little bit more specific, especially as it relates to money. When money comes in you are going to have to have somewhere in your Agency to track the money and then make sure the money is spent wisely and held accountable. Do you have a team that does that?

Mr. LENHARDT. Yes, sir, we do. We have a team that is focused specifically on that. We call it our Management Bureau. But also within each of the bureaus, our pillar bureaus as well as offices, everyone tracks their expenditures. They have to be able to articulate what it is that they are doing, the efficiency of that, and then how do they then rationalize the work, the continued work on any particular project, initiative, or program.

In addition to that, we have something we call the Administrator's Leadership Council. And basically what it does is determine at any point in time whether or not we are green, amber, or red, and it takes a page from the old military readiness report. Those things that are green, that is the expectation. If it is amber, what do you need to bring it up to the green category? And if it is red, what is the problem? How do we fix that? What are the resources that you might need in order to bring it up?

And so we do this routinely. It is done at least several times a month, sometimes to our chagrin because it keeps seeming to get rolled around faster each time. But we do it in a very organized, a very methodical way of ensuring that we are on the mark and that we have our systems that are checking and evaluating to make sure that we are there. And when it is not, then we back away.

Mr. RUPPERSBERGER. Thank you.

Yield back.

Ms. GRANGER. Thank you.

Mr. Rooney.

Mr. ROONEY. Thank you, Madam Chair.

General, I got to know Mr. Shah over the last couple years on this committee, and one of the things I tried to impress upon him the most that was interesting to me was the Food for Peace program. I wanted to ask you, generally speaking, with regard to South Sudan, the U.N. Security Council describes South Sudan's catastrophic food insecurity as one of the worst in the world. There is a funding reduction in fiscal year 2016 from fiscal year 2014. The State Department and your Agency got additional emergency funding.

My question is this: In order to reduce future demands for this kind of emergency humanitarian assistance that can be overly costly, how does your request help address long-term food insecurity through agricultural development? I am concerned because your fiscal year 2016 request only provided for \$10 million in the Food for Peace program, which is the only program at USAID that focuses primarily on helping small community farmers to become self-sufficient. Obviously, it is the whole you can give people money or you can teach them how to feed themselves analogy. So that is sort of the focus of my question.

Mr. LENHARDT. Thank you, Congressman, for your question.

Food for Peace is but one program whereby we reach out to countries around the world and try to handle as many humanitarian assistance—or disasters, in this case—as we can. But it is not the only program. And so, in addition to Food for Peace, we have a program Feed the Future. And Feed the Future, as you mentioned, takes the approach of how do we teach farmers, how do we teach people how to grow their own food, how to become more food secure in their own right. And so Feed the Future currently is working with 7 million farmers around the world and feeding 12.5 million children nutritious foods, preserving their lives.

I will tell you that in the case of Tanzania we had farmers who had increased their yield beyond anything they ever imagined, in some cases twofold, whereby they not only provided for their own families, but also had enough that they sold at market and therefore increasing their own ability to do other things with the money, send their children to school, have a better life.

As lamentable as the situation in Sudan is, we are having success in a number of areas. Where the Sudanese cannot farm, then we are providing that support.

My point in all of that is to say that there is an integration of our humanitarian assistance across the board, across many programs, focused again on how can we bring relief to as many people as possible. And we are doing that. The American people are reaching out to people of the world.

And in many cases that I saw in Africa the response is very positive, very favorable towards Americans, because it is really the connection people to people that merely solidifies what I see as our own security, advances our own security, as well as our own prosperity. Because those countries, once they come up to a standard where they can start acting on their own, they start partnering with us. They are our allies. They become vanguards of democracy wherever they may be in the world.

Mr. ROONEY. Thank you, General. I look forward to working with you on this, specifically with regard to South Sudan, as we move forward.

Thank you, Madam Chair. I yield back.

Ms. GRANGER. Thank you.

Mr. Serrano.

Mr. LENHARDT. Thank you, sir.

Mr. SERRANO. Thank you. First of all, I want to congratulate you on the positive aspects of the work that you do at the Agency that is throughout the world.

There is a question that I should have asked 25 years ago when I came to Congress that has always been on my head and I never asked it, and it has to do with Cuba.

Cuba does not, even though things may change, Cuba does not trust and we spend a lot of time criticizing Cuba. Yet your Agency was in Cuba. Now, Cuba doesn't open its doors to any other American Government agency being there, and I know you didn't invade them by force. So what kind of agreement was there that would allow your Agency to be in Cuba.

And secondly, notwithstanding what we think about the Cuban system, whenever they accused us of meddling in their system and trying to change it, what kept them from kicking us out? I mean, it is all very confusing, this relationship between USAID and Cuba.

Mr. LENHARDT. Thank you, Congressman, for your question.

Cuba is but one example, but we operate in a number of closed societies around the world, bringing democratic ideals to those countries, bringing to those countries support to civil society within those countries, and then, finally, ensuring as much as we can and trying to bring about the access to independent media, information within, and let's say the example used, within Cuba, among people. It is all about how can we inspire as much goodness.

We do also have in Cuba humanitarian assistance to family members of prisoners, political prisoners of one description or another, from the standpoint of health, food aid, in some cases providing learning.

So it is not a question necessarily that we are doing anything nefarious as much as we are doing what we can to advance democracy.

One of the things that I mentioned—

Mr. SERRANO. General, if you will forgive me. I understand that, and that is very commendable.

My question is, how did you get there? Did they say it is okay for you to come in and try to undo our system? I mean, there is a part here that has always confused me. How did the Cuban Government, who is not friendly to us and we are not friendly to them for over 50 years, say this Agency is okay to come in, even though at times we will arrest one of them or imprison one of them because they are doing what they are not supposed to be doing. I am totally confused. I can see it from other agencies that do it in a covert situation, but you don't operate that way. So maybe it is a question that can't be answered.

Mr. LENHARDT. Sir, I cannot answer it specifically as much as to say our brand is well known throughout the world, and so there are many, I am sure—I suspect, I suspect—there are places where

people wink at the fact that we are there in closed spaces doing our work.

And by the way, on closed spaces, part of what came out of the Cuban example is that we developed a new framework, an operating framework, so that we know what we are doing, how we are doing it, and ensuring that our implementing partners, who are valuable members of our team as well, understand the working in closed societies and the danger of that, and so that they then protect themselves and they then report up to us as to what is going on so that we have a sense of is it time for us to leave potentially—the potential of that rather—and the fact that we are committed to ensuring transparency, as well as balancing that with security.

And so that is the example that came out of the Cuban situation. And it is one where, as the Deputy Administrator, when I came in Dr. Shah said to me, I want you to get this under control and figure out how we then respond. And so we review it on a periodic basis, at least quarterly, coming back to me to ensure that those countries that are closed to us, we know how people are operating within those countries and ensuring, again, transparency, as well as balancing it with security.

Ms. GRANGER. Thank you.

Mr. Fortenberry.

Mr. SERRANO. Thank you.

Mr. FORTENBERRY. Thank you, Madam Chair.

Mr. Ambassador, nice to see you. I am confused by something, and I would like you to clarify it up front. When Mrs. Lowey, our ranking member, greeted you, she said so as a fellow New Yorker. When I said hello to you, you gave me the secret Cornhusker handshake? So what is it, Nebraska or New York?

Mr. LENHARDT. Thank you, Congressman.

Mr. FORTENBERRY. I will stop.

Mr. LENHARDT. I graduated from the University of Nebraska that I am very proud of.

Mr. FORTENBERRY. Yes.

Mr. LENHARDT. And I lived in Omaha, Nebraska.

Mr. FORTENBERRY. I just needed to get this on the record.

Mr. LENHARDT. I am also a New Yorker.

Mr. FORTENBERRY. But you had a wonderful experience in Nebraska, and I am glad you did, and so you are always welcome back home, so to speak.

Mr. LENHARDT. Thank you, sir.

Mr. FORTENBERRY. I enjoyed your initial presentation where you talked about your own background as a soldier, having spent time as well as a private sector manager. Now you are in a new fight, a new type of fight, fighting poverty, fighting for values, fighting really for, frankly, international stability and the future of civilization.

In regards to why we do this, why we spend a little bit of taxpayer money in this area, it is sometimes a hard question to ask, constituents ask it, because seemingly there is such little gratitude for what America does around the world.

I try to answer it like this: That it is very hard for Americans to sit idly by while other people just die. That is not who we are. Secondly, we benefit from this exchange that takes place, both eco-

nomically, as well as culturally. And third is, smart development is actually inextricably intertwined with international stability and that creates the conditions for our own national security. The military tells me, send us in last, do everything you can to promote smart diplomacy, smart development, and smart security outcomes.”

So your work is very important, and I like the enthusiasm that you are bringing to it and, frankly, the commitment to answering that hard question that the taxpayer deserves—why are we doing this?—and to holding the Agency accountable in a transparent way to the necessity to be effective and efficient. And I assume you are going to carry on the good work of Ambassador Shah in trying to develop the metrics that actually show that.

In this regard, I have two questions. One is, to focus on the Middle East, there is a dire humanitarian crisis in Iraq and through many areas of the Middle East flowing from the ruthless persecution of Christians, Yazidis, innocent Muslims, as well as other minority faith traditions. Many people are crying out for help, help to be able to defend themselves, as well as help for the displaced population.

So it is a heavy lift. This is not fully your job, but it is a heavy lift. And I understand that your partners, USAID partners have been able to reach some internally displaced people, but it is a significant minority.

Also, the other problem is that it is my understanding the people that you tend to be reaching are the ones housed in refugee camps, defined areas, versus other refugees flowing into other countries that still do need assistance but maybe aren't concentrated in one place.

The second question I have goes to what our Chairwoman Granger raised regarding potential new partnerships with our own universities in the area of higher education, but also in the innovative and smart program of USAID, Feed the Future. Suddenly, development aid, as it exists through new innovative sustainable agricultural practices, has become cool. And I never thought agricultural policy would be cool, having been studying it myself years ago. But nonetheless to tap into the energy of the next generation and to further consolidate our efforts at partnerships with the universities who have complementary resources I think would be a good outcome for the efficiency goals that you have outlined.

Mr. LENHARDT. Thank you, Congressman, for your question. I will start by saying that your observation—

Ms. GRANGER. Long days.

Mr. LENHARDT. Yes, ma'am. Thank you. Your observation is right on target with respect to soldiers having to fight. It is a lot more expensive than development. And so that is the choice that we first use, development as opposed to sending soldiers in.

The second part of that is religious groups. In all of our work, in all of our humanitarian assistance, we don't target necessarily groups as much as we look at people in need. And within that group the people in need, both in Syria, as well as Iraq and other places, there are religious minorities. There are people who are receiving the benefit of our food aid, water, and health, as well as other services that we provide. And so that is happening. And so

we are not targeting groups as much as we are opening the door for as many people.

In the case of Syria, for instance, I would just say that all of the work we are doing, certainly there is a huge minority there in the Shi'as to begin with, but also Christians within that Syrian community as well.

There are a couple of categories. There are refugees, but there are also internally displaced persons. And in Syria, that is almost 8 million people, and up to 4 million who are outside in Lebanon, Turkey, or for that matter Jordan.

So those things are happening in a way that I feel comfortable in saying that, in a constrained environment, reduced with resources, that we can't prioritize everything that is happening, and we are servicing those various communities.

Ms. GRANGER. Thank you.

Ms. Lee.

Ms. LEE. Thank you very much.

Good to see you, Mr. Lenhardt, and congratulations once again. And I look forward to working with you on so many issues that are so important to really the survival of many populations of people, children, vulnerable persons, people living with HIV and AIDS, mothers. Your work is so important in terms of the development of not only underdeveloped countries, but just in terms of the development of human beings so that they can live decent, healthy lives. So thank you very much.

A couple of questions that I have quite naturally following up on Mr. Serrano's question as it relates to Cuba, and also the countries that you mentioned where USAID operates in closed societies. I have oftentimes visited countries around the world where people are concerned about USAID workers because they are not sure what they are doing. They are not sure if they are working for the CIA and USAID. And I think this really puts a lot of our staff and contractors at risk, i.e., Alan Gross.

The contract—and we have talked about this—that Alan Gross was working on seemed to be perfectly reasonable, bringing in telecommunications, communications equipment to help set up a communications system where people could communicate with each other. Reasonable.

But I don't believe, because I was very involved in the whole case, that Alan knew that this contract that he was working under and the work that he was conducting was forbidden by law by the host country where he was doing the work, and so we know what happened.

And so I am wondering now, have you had a chance to go back and look—and we raised this before, Congresswoman Lowey and myself, with Mr. Shah—looked at these contracts to see if there are some disclaimers on it that if you are engaged in bringing support to civil society, if you are engaged in these democracy promotion programs that clearly, one, are against the laws of another country, do workers and contractors know that and that they could be subject to arrest? I mean, I think that we have an obligation to let our people know that they could be arrested by doing this work.

And then, third, let me just ask you, as it relates to the countries where USAID is operating, how do we know what countries you are

operating in doing this democracy work? Is it clear? Is it public? Are you transparent about that? I mean, I didn't know about the work, I heard about the work in Cuba, but I never could put my hands on it until it was exposed. So how do we know where you are doing this work?

Mr. LENHARDT. Thank you, Congresswoman, for your question. To begin with, yes, in fact we are very cognizant of the work that we do and we operate in very dangerous environments, as I spoke of earlier, our implementing partners as well. And so, as I mentioned that framework earlier in terms of the Cuba question in response to Cuba, this framework gives a very specific approach to operating in closed societies or, for that matter, conflict areas, in terms of how do you protect yourself, what should you be considering, and how do we continually assess whether or not the situation may become untenable to the point where we have to curtail our activities.

But the thing that we have learned is that local implementing partners know basically what is going on in the area so they can respond.

Ms. LEE. But that is after the fact, Mr. Lenhardt. I am talking about up front.

Mr. LENHARDT. Yes.

Ms. LEE. How do people who willingly do this kind of work know up front that they could be either perceived as a CIA operative or they are working against the laws of the country, I won't even call it the host country, but the country that they are in, that could be perceived as—

Mr. LENHARDT. Ma'am, if I may, we are very transparent in our activities and there's nothing nefarious. There is no cloak and dagger. There is nothing that would suggest that our brand, which is a very recognized, very respected brand around the world, is going to be put in jeopardy to the point where we are doing something that could come back to either embarrass us or to create a major problem.

Ms. LEE. But it has in the past. And I am just wondering how we can get the information, this committee, this subcommittee, on where we are operating in this manner and what we are doing.

Mr. LENHARDT. Ma'am, I can say sitting here that we are not operating in a manner that tracks with the CIA or, for that matter, any other intelligence organization. I say that with great confidence.

Ms. LEE. Okay. But just operating then in closed societies, doing the democracy promotion programs, is there a public list that we could have so we can kind of look at where USAID is doing the type of work that it is doing now in Cuba?

Mr. LENHARDT. Ma'am, we can provide that to you. The answer is, yes, we can provide that to you.

Ms. LEE. Okay.

Mr. LENHARDT. And gladly.

Ms. LEE. Thank you very much.

Mr. LENHARDT.

USAID has served as a global development leader in advancing democracy, human rights and governance goals worldwide and is a leading Agency in advancing President Obama's Stand With Civil Society Agenda that aims to intensify United States Government support to civil society in open, closing and closed societies.

In Cuba, USAID programming has supported democratic principles and the exercise of political and civil liberties. Specifically, the Agency partners with Grupo de Apoyo a la Democracia, International Republican Institute, the New America Foundation and Pan-American Development Foundation to support political prisoners and their families, assist communities to advocate for better human rights conditions and promote democracy, and facilitate the free flow of information.

In order to provide guidance on the Agency's programming in politically restrictive environments, USAID crafted a new policy framework, "Guidance on Programming in Closed Spaces."¹ The guidance requires that in politically restrictive countries where USAID does not have a presence, regular reviews are conducted to ensure that neither USAID nor implementing organizations are going to undue lengths to minimize USAID's role in funding or implementing programs.

Beginning in April 2014, USAID undertook a review of all of its programming in closed spaces to ensure programs are consistent with the new guidance. Subsequently, we made a series of changes to our programming to ensure that all USAID activities conform to the guidance. In some cases, that has meant that USAID is no longer managing these programs; in others, that the programs have been revised.

We would be pleased to provide a detailed briefing to Rep. Lee and members of her staff on USAID's work in this area.

Ms. GRANGER. Mr. Dent.

Mr. DENT. Thank you.

And thank you, Ambassador. I am going to follow up a little bit on what Mr. Crenshaw had been talking about a few moments ago, and I want to give you a little bit more time to elaborate, I think, on your answer.

One of the frustrations I have heard by those working in USAID projects is the inflexibility of funding. When I was in Ethiopia a few years ago that was a common refrain I heard: We have money in the HIV/AIDS account, but we need to move the money to malaria or tuberculosis or some other health issue, for example. But the funding flexibility wasn't there, and so they couldn't transition that money to malaria prevention, for example, even where in a country where AIDS may have been more stabilized and under control than had been the case.

What can we on this committee do to ensure that USAID and its partners are able to make the most effective use of these appropriated funds? Are there statutory changes that need to be made to provide this flexibility to you?

Mr. LENHARDT. As I understand the question, sir, whether or not we have funds that move from one account to another, sir, we have within global health objectives to reduce child and maternal deaths, as I mentioned, but also an AIDS-free generation and approaching and preventing infectious diseases. And so if you are asking the question, is it possible as we see the drawdown in one disease to move it to another disease, is that—

Mr. DENT. Yeah. Within a country, that is a common refrain, or they need money for fistula, for example, for women's health, they can't move the money. There is money available, but it can't be spent on the account in which it is in. There is no flexibility with limited dollars out there. I would rather be able to give you more flexibility to move money where it is needed rather than trying to appropriate additional funds that may not be necessary in every case.

Mr. LENHARDT. But, again, within the global health account, sir, we do have some flexibility to do that based upon the need. But, again, it is sometimes about competing priorities. And that is the biggest driver, more so than anything else, competing priorities. Would it be possible for us to be everywhere in the world? We can't do that. We don't have the resources.

Mr. DENT. And I am not asking you to. But that is the complaint I heard in the field from our people out there, that there is money available, but we can simply not move it to where it could be most beneficially spent.

And now the second question I had, your predecessor, Raj Shah, had been applauded for bringing a business-minded approach to the Agency's operations, and by and large the model appears to be working pretty well.

Can you tell us what objective metrics USAID is currently using to evaluate the effectiveness of its projects?

Mr. LENHARDT. Which projects, sir?

Mr. DENT. Just how are you measuring the effectiveness, what are the metrics you are using to evaluate the effectiveness of the programs under your jurisdiction?

Ms. GRANGER. Before you answer that, could I say they have called votes. There are still 308 that haven't voted. We have two, Ms. Wasserman Schultz and Diaz-Balart, who haven't had a question.

Mr. LENHARDT. Okay.

Ms. GRANGER. So we are going to try to do that.

Mr. DENT. That is my last question, though.

Mr. LENHARDT. Okay.

Sir, we use a number of methods to evaluate our programs. We use a tiered system in some cases based upon independent evaluations, but also those who are on the ground, our implementing partners. We also have our USAID personnel who are on the scene evaluating programs as well.

And so it is a tiered approach. It is multifaceted. It comes across as looking for the golden thread that weaves itself throughout to ensure that we are getting maximum benefit from our programs. And where it doesn't work, and I will give you a couple examples, if I may. In the last couple of years we have conducted about 243 evaluations of one description or another. Fifty percent of those caused us to rethink, reprogram our direction with respect to a particular activity. And in a couple of cases, we suspended the program, we stopped the program. In the case of Malawi we stopped a program based upon it was no longer effective.

So there is that evaluation that guides some decisions. Again, how do we conserve, how do we ensure those limited resources, constrained priorities, limited resources and constrained budgets are being effective and how they are being used? And so we continue to make those assessments.

I am trying to get a handle on the question as much as anything. But I assure you we have those processes underway and we evaluate. We have a team that also looks at it from the standpoint of whether it make sense on what we are doing, and how then do we ensure that the outcomes that we expect are being realized. And where they are not, then we make adjustments.

Mr. DENT. Thank you.

Ms. GRANGER. Thank you.

Ms. Wasserman Schultz.

Ms. WASSERMAN SCHULTZ. Thank you, Madam Chair. Ambassador, welcome. Good to see you.

Congressman Diaz-Balart and I sponsored the 1,000 Days resolution last year to call attention to that window in which we have an opportunity to really make a difference when it comes to the nutrition and future health of a young child.

So that made it somewhat disappointing that there was a 12-percent cut in nutrition funding in the President's budget, and I would like to ask you to explain how are we going to continue to make sure that we can be a leader and leverage other countries in what is really a vital area. Now, I ask that question knowing that we have the Multi-Sectoral Nutrition Strategy and that we are trying to line up the resources with the strategy and the goals. But, you know, in the meantime, that strategy is not complete, and we want to make sure that we can maintain that leadership role and maintain momentum. So if you could answer that.

I will just ask my second question since I know we have votes at the same time. I am concerned, even though we have not had any major national disasters that required a global emergency response, thankfully, recently, we have humanitarian needs that are alarming around the world. We have to make sure that we have adequate response capabilities, and the budget request has a 13-percent cut to humanitarian funding which includes significant decreases in both the migration and refugee and international disaster assistance account. So can you also talk about how we are going to be able to maintain those adequate response capabilities given that proposed cut?

Mr. LENHARDT. Thank you. Thank you, Congresswoman. To begin with, our fiscal year 2016 request for nutrition, recognizing the absolute importance of nutrition for children, both from the standpoint of physical wellbeing as well as their mental development, we have a number of other integrated programs for nutrition. Feed the Future is but one, but also specifically within the global health account and global health programs, nutrition has been identified separately. But across all of those accounts, we are well positioned to provide for nutritional value to children as well as to mothers.

As I mentioned in my opening statement, we are talking about recognizing and providing for 15 million children. With mothers, it is 600,000 by—

Ms. WASSERMAN SCHULTZ. So, forgive me for interrupting, Ambassador, but are you realizing efficiencies in that proposed cut? I mean—

Mr. LENHARDT. It is a combination of efficiencies, but it is also recognizing that many of these efforts, again, in a constrained environment, and we are not saying that we are leaving children behind or not caring for them as much. We can't do everything. And so, in a budget-constrained environment and competing priorities, this is where we are. But we feel that what we are providing is workable, and it is solving a problem that we both know is something that needs to be addressed.

Ms. WASSERMAN SCHULTZ. Ambassador, again, you are—

Mr. LENHARDT. If you are asking, should we be putting more money to it—

Ms. WASSERMAN SCHULTZ. This isn't about whether we put more or less money into it. It is about making sure that we can maintain our leadership role, and in the interim, until we have that multi-sector plan in place—

Mr. LENHARDT. Yes.

Ms. WASSERMAN SCHULTZ [continuing]. That we not roll backwards.

Mr. LENHARDT. Yes, ma'am.

Ms. WASSERMAN SCHULTZ. And so I understand that we can't be everything to everyone. That is not what I am suggesting. I want to make sure that with a proposed 13-percent cut, we are able to maintain that leadership and not go backwards—

Mr. LENHARDT. Yes.

Ms. WASSERMAN SCHULTZ [continuing]. In terms of the ability for us to provide assistance for children that badly need it.

Mr. LENHARDT. Thank you, ma'am. I understand. But, again, we have nutrition integrated in other programs as well that is not part of that one identified area within global health. So that is happening. I will continue to look at that and make sure that we are being responsive as much as possible, but I am seeing the evidence of that. I saw it as the Ambassador to Tanzania, where the difference between a child who has been provided nutritional-valued foods and one who is not, is significant.

The second part of that had to do with Ebola. Did I not answer—

Ms. WASSERMAN SCHULTZ. No, you didn't.

Ms. GRANGER. Could we go to Mr. Diaz-Balart, and then come back if we still have time to your second question?

Ms. WASSERMAN SCHULTZ. Sure. I think we have to vote, so I don't know that we are going to be able to.

Ms. GRANGER. I think we only have—

Mr. DIAZ-BALART. And I will be very brief, Madam Chairwoman.

And, again, thank you for your service to our country. You have been serving our country for many, many years. A couple of points, and it sounded like you are very committed to the democracy programs. Is that correct?

Mr. LENHARDT. Yes.

Mr. DIAZ-BALART. All right. And, obviously, democracy programs seem to be—are in closed societies. They are not in Liechtenstein, right, so they tend to be potentially dangerous, and you have spoken about that.

With that in mind, I just want to bring you back to Venezuela. I don't have to tell you about the situation in Venezuela. The administration has been kind of taken aside. The Secretary of State said that he was compounded by the situation in Venezuela, and yet the House has consistently put—last year \$8 million for democracy programs in Venezuela. The request from the administration is \$5.5 million. Any chance that there will be an amendment to that request of \$5.5 million since the administration is now realizing that we seem to have a serious issue with Venezuela and the lack of democracy therein?

Mr. LENHARDT. And, sir, I cannot answer the specific question. It is something that—in terms of a dollar amount—but, again, it is about human rights. It is about independent media, and it is providing for, in the case of Venezuela, transparent electoral processes. But, with respect to a dollar amount, I cannot answer that from the administration's point of view.

But, again, we operate in those places because there is a need, because that is who we are as Americans in outreach to countries and the world, trying to, as much as possible, encourage democratic institutions.

Mr. DIAZ-BALART. Well, I am glad to hear that, I mean, about your commitment to that. This committee has always been committed to that. I think you are going to see—that emphasis, not only in Venezuela, but in Cuba and elsewhere, and look forward to working with you on that.

And I know I am out of time.

Mr. LENHARDT. Thank you, sir.

Ms. GRANGER. Thank you, Ambassador Lenhardt. Thank you again for your time.

This concludes today's hearing. And Members may submit any additional questions for the record.

The Subcommittee on State, Foreign Operations, and Related Programs stands adjourned.

Questions for the Record
Submitted to USAID Acting Administrator Alfonso Lenhardt by
Chairwoman Kay Granger
Subcommittee on State, Foreign Operations
Committee on Appropriations
March 17, 2015

Operating Expenses

1. Please provide the total staff at USAID classified by hiring authority from FY2008 to present.

See the below table.

	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Civil Service	1,193	1,222	1,463	1,620	1,694	1,716	1,696
Foreign Service	1,410	1,580	1,914	2,269	2,279	2,142	2,119
US Personal Service Contract Staff ¹	576	591	703	775	759	863	771
Foreign Service National Direct Hire	89	37	36	31	21	21	16
Foreign Service National/Third Country National (FSN/TCN) Staff ²	3,801	4,093	4,472	4,469	4,585	4,338	4,415
PASA staff ³	125	143	139	180	207	176	200
Expert Consultant	12	15	13	14	10	9	7
Other Types ⁴	97	138	117	131	153	154	138
Total	7,303	7,819	8,857	9,489	9,708	9,419	9,362

Source: Semi-Annual USAID Worldwide Staffing Pattern Report as of September 30 each Fiscal Year.

Note: Table includes Foreign Service Limited and Office of the Inspector General staff.

¹ PSC = Personal Service Contract – A PSC is one in which an employer-employee relationship exists.

² Foreign Service National/Third Country National Personal Service Contract Staff

³ PASA = Participating Agency Service Agreement

⁴ Other includes Interagency Participating Agreements (IPAs) and various Fellows employees (Child Survival Fellows (CSFPs), Joint Career Corps Officer (JCCOs), American Association for the Advancement of Science Fellows (AAAs), Population Fellows or individuals funded by the Population Fellows Program (POPFs), etc.)

2. The FY15 SFOPS Appropriations Act included in the Statement of Managers the following directive, "No funds are provided under this heading to increase the number of employee positions at USAID in fiscal year 2015." How will USAID implement this directive?

USAID is implementing the directive to not use Operating Expense (OE) funds to increase the number of employee positions through strict budgetary controls for each operating unit. By funding only positions that were funded as of the end of FY 2014, USAID will not increase its OE-funded workforce levels.

Through budgetary and hiring controls, USAID will ensure it complies with the Statement of Managers directive.

3. Your written testimony states that USAID's administrative costs were only 7% of programs. Please provide the data that allows you to make this estimate. Which operating expense-like costs are not included in this estimate?

The testimony states that the FY 2016 Operating Expense (OE) appropriation request of \$1.4 billion represents approximately seven percent of the FY 2016 request of approximately \$20.6 billion in program resources that USAID will manage or co-manage. The \$20.6 billion includes the Development Assistance, Global Health Program, Complex Crises Fund, Transition Initiatives, Food for Peace Title II, International Disaster Assistance, Democracy Fund, and Economic Support accounts. The seven percent does not reflect program-funded operational costs, which are estimated at \$533 million in FY 2016.

4. Please provide the program-funded operational costs by account and percentage for fiscal years 2014 through 2016. By account, please provide a narrative describing in detail the uses of these funds, i.e., number of direct hire staff, number of contractors, rent, vehicles, etc.

The table below shows program-funded operational costs (PFOCs) by account and percentage for fiscal years (FY) 2013 through 2016.

Fund Account	FY 2013 PFOCs Actuals	FY 2013 Actuals as % of Program \$ Obligated	FY 2014 PFOCs Actuals	FY 2014 Actuals as % of Program \$ Obligated	FY 2015 PFOCs Estimate	FY 2015 Estimate as % of Program Estimate	FY 2016 PFOCs Estimate	FY 2016 Estimate as % of Program Estimate
Assistance for Europe, Eurasia and Central Asia	25,139	13.84%	656	10.95%				
Development Assistance	163,205	12.58%	222,892	8.0%	200,560	8.00%	239,976	8.00%
Economic Support Fund	139,595	2.65%	146,045	2.74%	125,365	2.74%	163,069	2.74%
Global Health and Child Survival - USAID	86,650	2.18%	97,304	1.69%	47,049	1.69%	46,560	1.69%
International Disaster Assistance	58,356	3.99%	72,197	3.60%	68,220	3.60%	62,676	3.60%
Transition Initiatives	23,649	21.44%	28,150	37.26%	20,100	30.00%	20,280	30.00%
Total	496,593	3.74%	567,244	3.55%	461,294	3.90%	532,560	3.94%

Note: The FYs 2013- 2014 percentages reflect program obligations. The FYs 2015 and 2016 percentages reflect the program levels in the FY 2016 CBJ.

The table below shows how the Agency used PFOCs in FY 2014, broken out by account and budget object class, or broad spending category. Agency systems do not capture some of the detail requested, such as the number of vehicles and contractors.

BOC	DESCRIPTION	Assistance for Europe, Eurasia, and Central Asia	Development Assistance	Economic Support Fund	Global Health & Child Survival	International Disaster Assistance	Transition Initiatives	Total
11.1	Personnel compensation, full-time permanent	-	17,109	8,610	1,260	449	-	22,428
11.3	Personnel compensation, other than full-time permanent	237	45,345	50,478	28,757	16,780	11,908	159,504
11.5	Other personnel compensation	-	1,624	7,490	1,242	48	7	10,411
11.8	Special personal services payments	-	1,552	17	25	185	-	1,779
12.1	Personnel benefits	14	12,744	16,062	8,513	4,629	2,427	44,388
13.0	Benefits for former personnel	-	950	860	334	-	-	1,644
21.0	Travel and transportation of persons	-	13,142	12,592	10,167	4,488	3,561	43,920
22.0	Transportation of things	9	851	1,379	1,785	550	18	4,593
23.1	Rental payments to GSA	-	6,516	400	231	894	1,260	9,301
23.2	Rental Payments to Other Non-Federal Sources	128	3,388	7,438	4,824	1,762	607	18,146
23.3	Communications, Utilities, and Miscellaneous Charges	17	1,429	1,933	1,254	305	245	5,183
24.0	Printing and Reproduction	-	128	50	23	11	1	213
25.1	Advisory and assistance services	1	52,480	4,464	3,420	4,723	56	65,144
25.2	Other Services	-	3,086	-	991	152	176	4,355
25.3	Purchase of goods and services from Government accounts	59	13,573	26,314	17,050	5,314	2,113	64,423
25.4	Operation and maintenance of facilities	-	402	151	513	54	42	1,165
25.5	Research and Development Services	-	114	39	-	-	-	154
25.6	Medical Care	-	250	93	62	5	0	410
25.7	Operation/maintenance of equipment & storage of goods	-	916	492	323	43	250	2,023
26.0	Supplies and materials	0	1,759	255	568	127	92	2,803
31.0	Equipment	-	2,070	1,080	1,278	31	505	4,965
32.0	Land and structures	-	109	27	75	-	-	211
41.0	Grants, subsidies and contributions	181	43,404	11,321	14,607	31,675	4,883	106,081
Grand Total		656	222,892	146,045	97,304	72,197	28,150	567,244

The total program-funded staff in FY 2014 is shown in the table below. Note that total program-funded staff does not directly correspond to PFOC spending, since PFOCs exclude staff that directly support host-country institutions and are located outside USG premises.

	September 30, 2014 Actual			
	USDH	Other US	FSN	Total
Program-funded Staff	243	992	2,413	3,648

Source: Semi-annual Worldwide Staffing Pattern Report as of 9/30/14.

- Please describe any updates from last year to USAID's plans for consolidating space, including square footage goals per employee. Please describe in detail and with cost estimates if updated in FY15 and for FY16 and outyears, the plan to implement this space consolidation.

USAID is formulating a domestic real property strategy to identify the best methods to implement the guidance provided in accordance with Management Procedures Memorandum (MPM) 2015-01, *Implementation of Office and Management and Budget (OMB) Memorandum M-12-12 Section 3: Reduce the Footprint (RTF)*. The strategy will include leveraging utilization

rates and efficiencies to accommodate additional space needs due to Presidential Initiatives and programs which are unique to USAID. The current 2014 domestic footprint of USAID is 834,417 usable square feet located in the National Capital region.

USAID completed Phase One of the 27,000 square foot renovation of the 7th floor of the Ronald Reagan Building (RRB) in January of 2013, adding 44 seats within the same footprint as prior to the renovation. USAID will start the Phase Two renovation of the second half of the 7th floor of the RRB in September 2015 which will duplicate the space efficiencies realized in Phase One. The Phase Two renovation covers approximately 40,000 square feet and includes similar improvements to office space from lessons learned in Phase One, as well as consolidation from multiple task force areas into one centralized Operations Center. The Phase Two renovation is scheduled to be complete in the Fall of 2016.

USAID is conducting a Program of Requirements (POR) space study that will define out-year requirements for USAID/Washington facilities and help to create cost estimates and target metrics for future implementation of space projects. The survey will help inform future space planning requirements and will identify approaches for allocating space more efficiently while addressing changing Washington space needs. In the immediate out-years, USAID will continue to implement a phased approach for achieving space efficiencies in our current footprint, contingent upon funding availability, and will look for innovative methods to reduce and better utilize our current space.

6. Please provide details about existing USAID-headquarters leases including cost per square foot and when each lease expires.

The following table details the existing USAID headquarters leases including the cost per square foot and the lease expiration dates.

<u>Property Name</u>	<u>Address</u>	<u>Cost per Square Foot</u>	<u>Lease Exp. Date</u>
Washington Learning Center (WLC)	2231 Crystal Drive, Arlington, Virginia	\$50.25	12/14/2017
Two Potomac Yard (2PY)	2733 Crystal Drive, Arlington, Virginia	\$36.64	11/07/2020
Security Warehouse	7401 Fullerton Road, Springfield, Virginia	\$16.76	02/2016
State Annex #44 (SA-44)	400 "C" Street, S.W., Washington, D.C.	\$49.19	01/02/2018
Ronald Reagan Building (RRB)	1300 Pennsylvania Ave., NW, Washington, D.C.	\$69.48	09/30/2015
Ronald Reagan Building - ITC (Int'l Trade Center) ¹	1300 Pennsylvania Ave., NW, Washington, D.C.	\$69.76	09/30/2015
Crystal Plaza Three (CP3)	2100 Crystal Drive, Arlington, VA	\$25.83	03/17/2017

¹ While USAID occupies 519,820 usable square feet in the main portion of the Ronald Reagan Building, USAID also has another 13,033 usable square feet in the International Trade Center portion of RRB on the Concourse and Mezzanine levels.

7. Please provide FY14 actual, FY15 estimate, and projected FY16 request for lease payments. Please break out the top 10 most expensive leases and describe the number of employees in that location, other uses, and length of lease.

The table below indicates the FY14 actual, FY15 estimate, and projected FY16 request for lease payments including the most expensive leases and the number of employees in that location, other uses, and length of the lease.

<u>Property Leased</u>	<u>FY14 Actual</u> (\$ thousands)	<u>FY15 Estimate</u> (\$ thousands)	<u>FY16 Projected</u> (\$ thousands)	<u># of Employees</u>	<u>Use</u>	<u>Length of Lease</u>
Ronald Reagan Building (RRB)	\$41,536	\$41,686	\$43,770	3,100	Office	10/01/2010-09/30/2015
Ronald Reagan Building – ITC ¹	\$1,062	\$1,066	\$1,120	100	Office	10/01/2010-09/30/2015
State Annex #44 (SA-44)	\$8,455	\$9,208	\$9,286	500	Office	01/03/2014-01/02/2018
Two Potomac Yard (2PY)	\$3,017	\$3,042	\$3,067	500	Office	11/08/2010-11/07/2020
Crystal Plaza Three (CP3)	0	\$2,177	\$2,396	550	Office	11/01/2014-03/17/2017
Washington Learning Center (WLC)	\$2,342	\$2,514	\$2,530	300 (25 permanent)	Training	12/15/2012-12/14/2017
Security Warehouse	\$235	\$237	\$202	50	Warehouse	11/08/2010-11/07/2020

¹ While USAID occupies 519,820 usable square feet in the main portion of the Ronald Reagan Building, USAID also has another 13,033 usable square feet in the International Trade Center portion of RRB on the Concourse and Mezzanine levels.

8. Please describe any reorganizations or movement of offices that occurred in FY14 and FY15 to date that were not notified to the Committee in advance.

All reorganizations or movements of offices in FY14 and FY15 to date requiring special notification have been notified.

9. Please provide an update on the funds obligated in FY14 and FY15 to date for cost-incurred audits and what is the remaining backlog?

Funds Obligated To-date by Fiscal Year (FY):

FY14 -- \$5.75 million

FY15 -- \$0*

*We anticipate obligating approximately \$6.1 million this quarter.

Backlog:

The current backlog is approximately 90 audits. However, that number is changing on a weekly basis as new audits are needed and older audits are completed.

Additional Background:

- In FY13 USAID obligated \$5.26 million and procured 80 audits, many of which were of larger contractors.
- In FY14 USAID obligated \$5.75 million and procured 130 audits.

Limited Competition for Local Organizations

10. For FY14 and FY15 to date, please provide a list of all assistance and cooperative agreements awarded as a result of limited competition where US firms and organizations were excluded in the competition. Please provide in addition to the list, the dollar value of the award, the country, and the organization.

Section 7028 of H.R. 3547 requires USAID to publish semiannual data on awards limited to local organizations. To comply with this legislative requirement, USAID publishes a report with all new awards that were limited in competition to local organizations. The report is available for download on USAID's website: <http://www.usaid.gov/usaidforward> (Tab One and Tab Two).

Currently, there is data for fiscal year (FY) 2014 and quarters one and two of FY 2015. The report will be updated with FY 2015 quarter three and four data after the close of FY 2015. The report includes the following for each award: total estimated cost (TEC)¹, vendor, and country.

¹ TEC is the estimated cost of an award. Actual costs may be less than, but may not exceed the TEC.

Please note that USAID has interpreted Section 7028 to require reporting on all awards – both assistance and acquisition – in which competition is limited to local organizations, as reflected in the data referenced above. USAID notes that this QFR specifically refers to “all assistance and cooperative agreements” and thus the below is limited to the assistance subset of the reporting required by Section 7028.

In FY 2014, USAID awarded a total of 21 non- or limited-competitive assistance and cooperative agreements that were restricted to local organizations. The TEC for the awards was \$37.7 million.

In quarters one and two of FY 2015, USAID awarded a total of two non or limited-competitive assistance and cooperative agreements that were restricted to local organizations. The TEC for these awards was \$3.5 million.

In addition, as part of USAID’s continued transparency efforts, the Agency publishes annual data on obligations to local organizations. Data is available for FY 2012 – 2014. Summary data (Tab Three) and detailed data also available for download on <http://www.usaid.gov/usaidtheforward>.

Attachment(s):

- Tab One – 7028 Reporting for FY 2014
- Tab Two – 7028 Reporting for FY 2015 Q1 and Q2
- Tab Three – Summary FY 2014 Obligations to Local Organizations

Evaluations

11. Please provide a list of independent evaluations of USAID programs that have been paid for with USAID funds (therefore not including GAO and other US agencies) and the source of funds.

Please see the enclosed list of 224 evaluations completed in FY 2014 using USAID funding.

FY 2014 (Q1 - Q4) Awards Limited to Local Competition
 This report is posted as required by Section 7028 of HR 3547. It shows all new awards where competition was limited to local organizations.

Vendor Name	Country Name	Total Estimated Cost (TEC)	Award Type ¹
COMMUNITIES FINANCE OFFICERS ASSOCIATION	ARMENIA	\$3,499,815	ASSISTANCE
MEDIA INITIATIVES CENTER	ARMENIA	\$3,349,881	ASSISTANCE
AMAP	ARMENIA	\$425,000	ASSISTANCE
CENTER FOR AGRIBUSINESS & RURAL DEVELOPMENT (CARD)	ARMENIA	\$249,987	ASSISTANCE
INSTITUTI DEMOKRATIK I KOSOVES	REPUBLIC OF SERBIA	\$245,518	ASSISTANCE
KF FOND EURASIA TSENTRALNOI AZII	KAZAKHSTAN	\$6,991,680	ASSISTANCE
Public Health Foundation of India	INDIA	\$2,836,000	ASSISTANCE
KARNATAKA HEALTH PROMOTION TRUST	INDIA	\$2,000,000	ASSISTANCE
TERI	INDIA	\$30,000	ASSISTANCE
WILDTTEAM LIMITED	BANGLADESH	\$11,887,007	ASSISTANCE
REPRODUCTIVE AND CHILD HEALTH ALLIANCE	CAMBODIA	\$3,232,413	ASSISTANCE
COMMUNITY HEALTH AND DEVELOPMENT ACTION	CAMBODIA	\$83,373	ASSISTANCE
KHMER WOMEN COOPERATION DEVELOPMENT	CAMBODIA	\$35,882	ASSISTANCE
AKPHIVATH NEARY KHMER ORGANIZATION	CAMBODIA	\$72,279	ASSISTANCE
COMMUNITY LEGAL EDUCATION CENTER	CAMBODIA	\$210,000	ASSISTANCE
RETURNEE INTEGRATION SUPPORT CENTER	CAMBODIA	\$188,703	ASSISTANCE
SIA N'SON-ONG	BENIN	\$858,000	ASSISTANCE
SIA N'SON-ONG	BENIN	\$393,000	ASSISTANCE
RESEAU DES ONG BENINOISES DE SANTE	BENIN	\$451,220	ASSISTANCE
ORGANISATION NON GOUVERNEMENT ALE POUR LE DEVELOPPEMENT DURA	BENIN	\$355,000	ASSISTANCE
ORGANISATION NON GOUVERNEMENT ALE POUR LE DEVELOPPEMENT DURA	BENIN	\$264,000	ASSISTANCE
Fabrika D.O.O.	BOSNIA AND HERZEGOVINA	\$146,250	ACQUISITION
NGO AND BUSINESS AUDIT DOO SARAJEVO	BOSNIA AND HERZEGOVINA	\$19,247	ACQUISITION
T R Upadhy & Co	NEPAL	\$3,000	ACQUISITION
IP RUSAKOV A.V.	NEPAL	\$1,179	ACQUISITION
K B CHITRACAR & CO	NEPAL	\$5,088	ACQUISITION
T R Upadhy & Co	NEPAL	\$14,000	ACQUISITION
NEPAL DEVELOPMENT RESEARCH	NEPAL	\$24,000	ACQUISITION
ENVIRONMENT AND PUBLIC HEALTH ORGANIZATION	NEPAL	\$17,129	ACQUISITION

FY 2014 (Q1 - Q4) Awards Limited to Local Competition

This report is posted as required by Section 7028 of HR 3547. It shows all new awards where competition was limited to local organizations.

Vendor Name	Country Name	Total Estimated Cost (TEC) ⁱ	Award Type ⁱⁱ
NEPAL FERTILITY CARE CENTER	NEPAL	\$32,802	ACQUISITION
Centro de Investigacion para el Desarrollo, AC	MEXICO	\$39,387	ACQUISITION
CORPORATE BRANDING	MALAWI	\$34,314	ACQUISITION
YOHANNES ABBAY CONSULTING ARC HITECTS AND ENGINEERS	ETHIOPIA	\$148,514	ACQUISITION
FY 2014 Awards Limited to Local Competition Total			
FY 2014 Assistance Limited to Local Competition Total		\$38,143,667	
FY 2014 Acquisition Limited to Local Competition Total		\$37,658,758	
		\$484,909	

ⁱTEC is the estimated cost of an award. Actual costs may be less than, but may not exceed the TEC.

ⁱⁱAssistance includes cooperative agreements.

FY 2015 (Q1 - Q2) Awards Limited to Local Competitionⁱ

This report is posted as required by Section 7028 of HR 3547. It shows all new awards where competition was limited to local organizations.

Vendor Name	Country Name	Total Estimated Cost (TEC) ⁱ	Award Type ⁱⁱ
EAST EUROPE FOUNDATION, INTERNATIONAL CHARITABLE ORGANIZATION	UKRAINE	\$ 1,970,445	Assistance
Center for Community Health Research and Development	VIETNAM	\$ 1,497,646	Assistance
ENGICON	JORDAN	\$ 3,917,356	Acquisition
CFAO MOTORS	MALI	\$ 83,580	Acquisition
INSTITUT ZA RAZVOJ MLADIH KULT	BOSNIA AND HERZEGOVINA	\$ 3,363,984	Acquisition
T R Upadhya & Co	NEPAL	\$ 7,605	Acquisition
M. YOUSUF ADIL SALEEM & COMPANY	PAKISTAN	\$ 31,847	Acquisition

FY 2015 Q1 and Q2 Awards Limited to Local Competition Total	\$ 10,872,463
FY 2015 Q1 and Q2 Assistance Limited to Local Competition Total	3,468,091
FY 2015 Q1 and Q2 Acquisition Limited to Local Competition Total	7,404,372

ⁱTEC is the estimated cost of an award. Actual costs may be less than, but may not exceed the TEC.

ⁱⁱAssistance includes cooperative agreements.

Goal: Promote sustainable development through high-impact partnerships**Measure: Mission program funds per year implemented through local systems**

We are partnering directly with local governments, the private sector, civil society, and academia to ensure that local systems own, resource, and sustain the development results in which we invest. The global average of mission funds programmed through local systems has increased from 9.6% in FY 2010 to 16.9% in FY 2014. The Agency's leveling on this metric can be explained by a decrease in the overall levels of direct obligations in Afghanistan due to elections and ensuing political uncertainty and to the limited absorptive capacity of local governments in Pakistan. Excluding these countries, USAID continues to increase direct obligations from 12.3% in FY13 to 15.1% in FY14. Our prudent and strategic approach is yielding results, for example:

- 6,419 families from 199 communities in Peru giving up illicit coca by planting more than 7,700 hectares of alternative crops, thanks to government-to-government assistance;
- A private pharmaceutical firm in Nepal assuming the risk for developing, proofing, and commercializing a gel that reduces infant mortality by 34%; and,
- A significant reduction in the cost of procuring health commodities due to the strengthened capacities and internal controls of the Kenya Medical Supplies Agency.

Summary Data - FY 2014

FY 2014 data does not include Qualifying Trust Funds (QT) or Cash Transfers (CT). Those obligations are below. Please see definition tab for definition of QT and CT.

Region	Local Obligations (numerator)	Total Obligations (denominator)	Percentage
Afghanistan and Pakistan	\$ 377,965,084	\$ 1,516,638,348	24.9%
Africa	\$ 518,906,745	\$ 3,743,075,403	13.9%
Asia	\$ 97,390,650	\$ 985,608,920	9.9%
Europe and Eurasia	\$ 54,931,574	\$ 312,965,846	17.6%
Latin America and Caribbean	\$ 103,065,094	\$ 726,479,217	14.2%
Middle East	\$ 230,598,287	\$ 889,072,658	25.9%
Agency Total	\$ 1,382,857,434	\$ 8,173,840,392	16.9%

Agency Total with QT ^I and CT ^{II}	\$ 1,818,356,073.85	\$ 8,173,840,392	22.2%
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^I FY 2014 Qualifying Trust Funds	
Afghanistan	\$236,098,640
Bangladesh	\$9,050,000
Ethiopia	\$1,000,000
Ghana	\$12,000,000
East Africa Regional	\$1,350,000
^{II} FY 2014 Cash Transfers	
Jordan	\$171,000,000
Liberia	\$5,000,000

Summary Data - FY 2013

FY2013 data does not include Qualifying Trust Funds (QT) or Cash Transfers (CT). Those calculations are below. Please see definition tab for definition of QT and CT.

Region	Local Obligations (numerator)	Total Obligations (denominator)	Percentage
Afghanistan and Pakistan	\$ 772,847,026	\$ 2,135,130,740	36.2%
Africa	\$ 388,786,988	\$ 3,386,751,889	11.5%
Asia	\$ 86,059,444	\$ 808,670,426	10.6%
Europe and Eurasia	\$ 42,978,807	\$ 288,400,155	14.9%
Latin America and Caribbean	\$ 109,247,279	\$ 755,277,528	14.5%
Middle East	\$ 247,600,665	\$ 1,844,809,147	13.4%
Agency Total	\$ 1,647,520,209	\$ 9,219,039,885	17.9%

QT and CT Totals	Local Obligations (numerator)	Total Obligations (denominator)	Percentage
Agency Total with QT ⁱ	\$ 2,069,615,709	\$ 9,219,039,885	22.4%
Agency Total with QT ⁱ and CT ⁱⁱ	\$ 2,808,615,709	\$ 9,219,039,885	30.5%

FY 2013 Footnotes:ⁱ2013 Qualifying Trust Funds

Afghanistan	\$ 398,885,500
Ethiopia	\$ 1,400,000
Bangladesh	\$ 14,000,000
Ghana	\$ 7,810,000

ⁱⁱ2013 Cash Transfers

West Bank and Gaza	\$ 348,000,000
Jordan	\$ 391,000,000

Summary Data - FY 2012

FY2012 data does not include Qualifying Trust Funds (QT) or Cash Transfers (CT). Those calculations are in footnote ⁱⁱⁱ. Please see definition tab for definition of QT and CT.

	Local Obligations (numerator)	Total Obligations (denominator)	Percentage
Afghanistan and Pakistan ⁱ	\$686,813,996	\$2,630,162,017	26.1%
Africa ⁱⁱ	\$355,325,916	\$3,702,321,565	9.6%
Asia ⁱⁱⁱ	\$123,973,948	\$995,552,525	12.5%
Europe and Eurasia ⁱ	\$86,779,460	\$359,629,889	24.1%
Latin America ⁱ	\$93,058,464	\$827,176,524	11.3%
Middle East	\$34,657,269	\$1,137,982,982	3.0%
Agency Total ⁱⁱⁱⁱ	\$1,380,609,053	\$9,652,825,502	14.3%

FY 2012 Footnotes:

ⁱ Some minor deviations in data and the published USAID Forward Progress Report 2013 arise because the data in the USAID corporate systems from which the data is extracted is not frozen in

ⁱⁱ Differs from USAID Forward Report 2013 which included \$18 million in obligations of program funds in Tanzania which was subsequently determined not to meet the criteria of the indicator.

ⁱⁱⁱ Differs from USAID Forward Report 2013 because 90 percent of qualifying trust funds in Bangladesh were added manually to the Asia total. These transactions were not tagged as local in the 3/11/2012

ⁱⁱⁱⁱ This data was extracted from Phoenix 3/11/2012 and does not include recoveries, cash transfers, or all qualifying trust funds. With cash transfers the total percentage of mission funds implemented through local systems in FY 2012 is 17.2%. With qualifying cash transfers and qualifying trust funds

Evaluations Completed by USAID in FY2014 as Reported by USAID Operating Units in the FY2014 Evaluation Registry

by USAID Bureau and Operating Unit
Completed USAID FY 2014

Bureau		Operating Unit	Evaluation Title	Funding Accounts	Est Budget (in USD)
Africa		Chad	Batha-Ouaddai Food Security Initiative Final Evaluation	Title II	153144
Africa		Cote d'Ivoire	Impact of Community Caregivers in Cote d'Ivoire	PEPFAR	6000
Africa		Democratic Republic of the Congo	Final Evaluation of the International Rescue Committee's ESPOR project in the North and South Kivu provinces of the Democratic Republic of Congo	Other*	22712
Africa		Democratic Republic of the Congo	*Programme de Bonne Gouvernance* (PBG) Final Performance Evaluation	ESF	265000
Africa		Democratic Republic of the Congo	Evaluation of IMC - Care, Access, Safety and Empowerment (CASE) Program in Eastern Congo	Other*	25000
Africa		Ethiopia	Midterm evaluation of Improving Quality of Education Program (IQEP)	DA	200000
Africa		Ethiopia	Mid-term performance evaluation of the Help Ethiopia Address Low TB Performance (Head TB) activity	GHCS	109674

*Other includes accounts such as: Complex Crises Fund, Democracy Fund, Emergency Refugee and Migration Assistance, International Organizations and Programs, Migration and Refugee Assistance, Transition Initiatives, and Global Health Programs-USAID

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Est Budget (in USD)
Africa	Ethiopia	Performance Evaluation on the 'Better Potato for Better Life' Project	DA	98800
Africa	Ethiopia	Performance evaluation of the Partnership for Capacity Building in Disaster Management- National Incident Management System (NIMS) Project	DA	47742
Africa	Ethiopia	Performance Evaluation of Food by Prescription (FBP)	GHCS	231000
Africa	Ethiopia	Final Performance Evaluation of Water hygiene sanitation Transformation for Enhanced Resiliency (WaTER) Project	DA	125000
Africa	Kenya	APHIA Plus Nairobi and Coast Program Evaluation	Other*	340000
Africa	Kenya	Yes Youth Can! Youth Program Final Impact Evaluation	ESF	646367
Africa	Kenya	Final Performance Evaluation of Northern Rangelands Trust (NRT)	DA	85000
Africa	Kenya	Conflict Mitigation and Civil Society Strengthening Evaluation	DA	385458
Africa	Kenya	Tusomea Early Grade Reading Evaluation Baseline Assessment	DA	357577
Africa	Kenya	CAPACITY Kenya End of Project Evaluation	PEPFAR	75000

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Estimate (in US\$)
Africa	Kenya	Evaluation of USAID's Electoral Assistance to Kenya	DA	400000
Africa	Kenya	Aljainfo Mid-Term Review	PEFFAR	150000
Africa	Kenya	FurzoKenya Mid-Term Review	PEFFAR	150000
Africa	Liberia	Midterm Evaluation of Governance and Economic Support	ESF	250032
Africa	Liberia	Final Evaluation of Land Conflict Resolution Project	ESF	218387
Africa	Liberia	Urea Deep Placement (UDP) World Bank Gender Innovation Lab Impact Evaluation	DA	1500000
Africa	Liberia	Mid-Term Evaluation of the Excellence in Higher Education for Liberian Development (EHELD) Program	ESF	84295
Africa	Malawi	Malawi USAID/DELIVER Activity Evaluation	GHCS	300000
Africa	Malawi	Support for Service Delivery - Integration Activity Performance Evaluation	GHCS	299887
Africa	Malawi	Malawi Early Grade Reading Project Impact Evaluation	DA	2500000

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Est Budget (in USD)
Africa	Malawi	Integrating Nutrition in Value Chains (INVC) Impact Evaluation	DA	3000000
Africa	Malawi	Malawi Early Grade Reading Activity Performance Evaluation	DA	249893
Africa	Malawi	Wellness and Agriculture for Life Advancement (WALA) Final Evaluation	PL 480	50000
Africa	Malawi	USAID/Malawi Country Development Cooperation Strategy (CDCS) Impact Evaluation	GHCS	2900000
Africa	Mali	USAID/Mali Health portfolio evaluation	GHCS	245000
Africa	Mozambique	SCP Mid-Term Evaluation	PEFFAR	250000
Africa	Mozambique	PCC mHealth Evaluation	PEFFAR	450000
Africa	Mozambique	Performance Evaluation of Support Program for Economic Enterprise Development (SPEED)	ESF	11992000
Africa	Mozambique	Development Credit Authority	ESF	91519000
Africa	Mozambique	Biodiversity Performance Evaluation	ESF	150000

Bureau	Operating Unit	Evaluations	Funding Accounts	Estimate (in USD)
Africa	Mozambique	MCHIP Performance Evaluation	GHCS	40000
Africa	Mozambique	EGRA-QIM Impact Evaluation	DA, Other*	145000
Africa	Namibia	Lifeline Childline mid-term Evaluation	PEPFAR	10000
Africa	Namibia	Church Alliance for Orphans End-of-term Evaluation	PEPFAR	10000
Africa	Namibia	C-Change mid-term Evaluation	PEPFAR	10000
Africa	Nigeria	Leadership Empowerment Advocacy and Development (LEAD)	DA	15500
Africa	Nigeria	DRPC End Project Evaluation for the Leadership Development for Family Planning/Reproductive Health for Political Office Holders, Traditional and Religious Leaders	GHCS	10000
Africa	Nigeria	Northern Education Initiative (NEI) Evaluation	DA	14200
Africa	Rwanda	Cost Effectiveness and Sustainability Study- Akazi Kanaze Youth Livelihoods Program	DA	8000
Africa	Senegal	Mid-term evaluation of the agriculture and nutrition program	DA	149729

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Est. Budget (in USD)
Africa	Senegal	Mid-term Evaluation of the USAID/Senegal Capacity Building for Agricultural Education and Research Project (ERA)	DA	149514
Africa	Senegal	Performance Evaluation of the Governance and Peace Program (PGP)	DA	150000
Africa	Sierra Leone	Sustainable Nutrition Agriculture Program (SNAP) Mid-term review	Title II	90541
Africa	Somalia	Partnership for Economic Growth Midterm Performance Evaluation	ESF	133402
Africa	Somalia	Somalia Program Performance Evaluation	ESF	295689
Africa	Somalia	Somali Youth Leaders Initiative Midterm Performance Evaluation	ESF	420579
Africa	Somalia	Final Performance Evaluation for the Somalia Legislative Strengthening and Political Processes Program	ESF	85416
Africa	South Africa	UCT/CALI	ESF, PEFFAR	2749485
Africa	South Africa	Increasing Services for Survivors of Sexual Assault	DA	750000
Africa	Tanzania	Performance Evaluation of Pae STAR program	DA	100000

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Estimate (in USD)
Africa	Tanzania	The Integrated Water, Sanitation and Hygiene Program (I-WASH) end of project evaluation	DA	176740
Africa	Tanzania	Performance evaluation of the BridgeIT project	DA	50000
Africa	Tanzania	African Wildlife Foundation SCALE-TZ end of program evaluation	DA	150000
Africa	Tanzania	PWANI Project end of project evaluation	DA	150000
Africa	Tanzania	Landscape Scale Community Centered Ecosystem Conservation in Western Tanzania Evaluation	DA	160000
Africa	Tanzania	HTC End of project Evaluation	PEFFAR	344000
Africa	Tanzania	End of Project Evaluation for Economic strengthening program	PEFFAR	100000
Africa	Uganda	Performance Evaluation of the Stop Malaria	DA	79909
Africa	Uganda	Evaluation of District-Based Health Technical Assistance Activities	PEFFAR	770000
Africa	Uganda	Universal Long Lasting Insecticide Net Coverage Campaign	GHCS	300000

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Est Budget (in USD)
Africa	Uganda	Gender Randomized Control Trial	DA	1196991
Africa	Uganda	Evaluation of USAID Uganda's Faith Based HIV program	PEFFAR	107063
Africa	Uganda	Ex-Post Evaluation of USAID Assistance to Northern Uganda	DA, PEFFAR	375960
Africa	Uganda	Final evaluation of the Uganda Capacity Program	PEFFAR	176000
Africa	Zambia	Community Based Forest Management project Impact Evaluation.	DA	860000
Africa	Zambia	ZAMBIA EdData	DA	3622822
Africa	Zambia	Zambia-led Prevention Initiative (ZPI)	PEFFAR	279638
Africa	Zambia	Gender and Groundnut Value Chain Impact Evaluation	DA	850000
Africa	Zimbabwe	Effectiveness of Integrating Pediatric ART and OVC services	GHCS	250000
Africa	Zimbabwe	CMM Impact Evaluation	Other*	378515

Bureau	Operating unit	Evaluation title	Funding Accounts	Est Budget (in USD)
Africa	Zimbabwe	IPC end of Project Performance Evaluation	ESF	20000
Africa	Zimbabwe	Mercy Corps Youth CMM Evaluation	Other*	20000
Africa	Zimbabwe	Lend O Lakes End of Project Evaluation	ESF	20000
Africa	Zimbabwe	Strengthening Private Sector Services	GHCS	229000
Africa	Zimbabwe	SERA Project evaluation	ESF	150000
Africa	Zimbabwe	Maternal Integrated Health Project Final evaluation	GHCS	181000
Africa	Zimbabwe	DRG Portfolio Evaluation	ESF	151887
Africa	Zimbabwe	UNDP Constitution Support Evaluation	ESF	30000
Africa	Zimbabwe	Performance Evaluation of Zimbabwe TB Specimen Transportation Systems	GHCS	220000
Africa	Zimbabwe	Orphaned and Vulnerable Children End of Project evaluation	GHCS	250000

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Est Budget (in USD)
Africa	Zimbabwe	USAID/Zimbabwe Agricultural Portfolio Evaluation	ESF	15187
Africa	USAID Africa Regional (AFR)	Evaluation of USAID support to the Africa Biodiversity Collaborative Group (ABCG)	DA	110250
Africa	USAID Africa Regional (AFR)	Trans-Sahara Counterterrorism Partnership (TSCTP) Program Evaluation	ESF	251231
Africa	USAID Africa Regional (AFR)	Evaluation of USAID/Benin West Africa Cooperative Security Initiative Project	DA	300000
Africa	USAID Africa Regional (AFR)	Mid-Term Evaluation of the Southern Africa Trade Hub	DA	180514
Africa	USAID Africa Regional (AFR)	ADM Evaluation and AWEP Assessment	DA	133364
Africa	USAID Africa Regional (AFR)	Joint Midterm Review (2010-2012) of USAID/Africa Bureau's Grants to WHO/AFRC: A view towards improving grant management	GHCS	120000
Africa	USAID Africa Regional (AFR)	Evaluation of the Telecom Universal Service and Access Fund (USAF) Project	DA	250000
Africa	USAID Africa Regional (AFR)	Textbooks & Learning Materials Program (TLMP) Evaluation	DA	497307
Africa	USAID East Africa Regional	Past Project Evaluation of the Market Linkages Initiative - The Return on Investment Approach	DA	166220

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Est Budget (in USD)
Africa	USAID Southern Africa Regional	Trade Hub (Performance Evaluation and Program Design)	ESF	150000
Africa	USAID Southern Africa Regional	SWAZILAND PACT (REACH) Performance Evaluation	PEPFAR	155779
Africa	USAID Southern Africa Regional	SWAZILAND EPAS EGPAF Performance Evaluation	PEPFAR	170000
Africa	USAID West Africa Regional	Mid-term Performance Evaluation of the West Africa Water Sanitation and Hygiene Project	DA	250000
Africa	USAID West Africa Regional	Performance Evaluation of the Global Food Security Response (GFSR) Initiative	DA	200000
South and Central Asia	Afghanistan	Regional Airport Projects at Faisalabad/Badakhshan and Maimana (Payreb) - Final Evaluation	ESF	150000
South and Central Asia	Afghanistan	Cash Transfer Assistance Agreement for Civil Service Reform - Performance Evaluation	ESF	150000
South and Central Asia	Afghanistan	Engineering, Quality Assurance and Logistical Support (EQUALS) Program - Final Evaluation	ESF	150000
South and Central Asia	Afghanistan	Afghan Engineering Support Program (AESPP) - Final Evaluation	ESF	150000
South and Central Asia	Afghanistan	Rule of Law Stabilization-Internal (RLS-I) Final Evaluation (Internal)	ESF	250000

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Est Budget (in USD)
South and Central Asia	Afghanistan	Strengthening Pharmaceutical Services (SPS) Project - Mid-Term Performance Evaluation	ESF	150000
South and Central Asia	Afghanistan	Afghan Civilian Assistance Program (ACAP II) Mid Term Evaluation	ESF	53000
South and Central Asia	Afghanistan	Community Cohesion Initiative (CCI) - Performance Evaluation	ESF	448000
South and Central Asia	Afghanistan	Kandahar Food Zone (KFZ) - Final Evaluation	ESF	250000
South and Central Asia	Afghanistan	Community Development Program (CDP) Final Performance Evaluation	ESF	150000
South and Central Asia	Afghanistan	Stability Analysis Methodology (SAM) Evaluation of best practices and a recommended Method	Other*	150000
South and Central Asia	Afghanistan	Disease Early Warning System (DEWS) Project Final Evaluation	ESF	150000
South and Central Asia	Afghanistan	Economic Growth and Governance Initiative (EGGI) Final Evaluation	DA	150000
South and Central Asia	Afghanistan	Land Reform in Afghanistan (LARA) Final Evaluation	DA	150000
South and Central Asia	Afghanistan	Stability in Key Areas (SIKA) - North Mid-Term evaluation	DA	150000

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Est Budget (m USD)
South and Central Asia	Afghanistan	Stability in Key Areas (SIKA)-South Mid-Term Performance Evaluation	Other*	150000
South and Central Asia	Afghanistan	Commercialization of Afghanistan Water and Sanitation Activity (CAWSA) Final Evaluation	Other*	164884
South and Central Asia	Afghanistan	Afghanistan Workforce Development Project (AWDP) - Mid Term Performance Evaluation	ESF	150000
South and Central Asia	Afghanistan	Assistance in Building Afghanistan by Developing Enterprises (ABADE) - Mid-Term Evaluation	ESF	150000
South and Central Asia	Afghanistan	Rule of Law Stabilization - Informal Project Performance Evaluation (Extensaf)	ESF	150000
South and Central Asia	Afghanistan	Stability in Key Areas (SIKA)-West Mid-Term Performance Evaluation	Other*	160000
South and Central Asia	Bangladesh	Final Performance Evaluation of the Poverty Reduction by Increasing the Competitiveness of Enterprises (PRICE) Project	DA	200000
South and Central Asia	Bangladesh	Meyer Hashi Impact Evaluation	GHCS	300000
South and Central Asia	Bangladesh	Actions for Combating Trafficking-in-Persons (ACT) Final Performance Evaluation	CSH	125000
South and Central Asia	Bangladesh	Mid-term Performance Evaluation of the Protecting Human Rights (PHR) Project	CSH	124000

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Est. Budget (mUSD)
South and Central Asia	Bangladesh	Mid-term Performance Evaluation of Community Based Policing (CBP) Project	DA	124000
South and Central Asia	Bangladesh	End-term Performance Evaluation of the Strengthening Democratic Local Governance (SDLG) Project	DA	200000
East Asia and Pacific	Cambodia	Final performance evaluation of USAID/Cambodia's maternal and child health projects	GHCS, PEPFAR	254865
East Asia and Pacific	Cambodia	Final performance evaluation of the Accountability in Governance and Politics Project	DA	25550
East Asia and Pacific	Cambodia	Mid-Term Performance Evaluation of the Cambodia HARVEST Project (Helping Address Rural Vulnerabilities and Ecosystem Stability)	DA	141916
East Asia and Pacific	Cambodia	Mid-term Evaluation of Counter-Trafficking in Persons II in Cambodia	DA	150000
East Asia and Pacific	Cambodia	End-of-Project Evaluation of the Sustainable Action Against HIV and AIDS in the Community Project (SAHACOM)	PEPFAR	66038
East Asia and Pacific	Cambodia	End of Project Performance Evaluation of The Improved Basic Education in Cambodia Project	DA	51029
South and Central Asia	India	Agriculture Innovation Partnership (AIP)	DA	181000
South and Central Asia	India	Improving Healthy Behavior Program	GHCS	222151

Region	Grantee/Unit	Evaluation Title	Funding Accounts	Est. Budget (in USD)
East Asia and Pacific	Indonesia	HIV Program Evaluation	PEPFAR	20000
East Asia and Pacific	Indonesia	Avian Influenza Program Evaluation	GHCS	100000
East Asia and Pacific	Indonesia	Expanding Maternal Neonatal Survival (EMAS) Midterm Evaluation	GHCS	100000
East Asia and Pacific	Indonesia	Adapting to Climate Change in Eastern Indonesia Final Evaluation	DA	10000
South and Central Asia	Kyrgyz Republic	Final Evaluation of USAID/OTI program in the Kyrgyz Republic	Other*	277695
South and Central Asia	Nepal	HIV/AIDS Project (Saath Saath) Mid-term Evaluation	GHCS	90000
South and Central Asia	Nepal	Ghar Ghar Ma Swasthya Mid-term Evaluation	GHCS	35000
South and Central Asia	Nepal	Strengthening Political Parties, Electoral and Parliamentary Processes Project mid-term evaluation	DA	50000
South and Central Asia	Nepal	Monitoring Nepal's Peace and Constitution drafting Process Final Evaluation	DA	50000
South and Central Asia	Nepal	Nepal Economic Agriculture and Trade Program Final Evaluation	ESF	197000

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Est. Budget (in US\$)
South and Central Asia	Nepal	Hill Maize Research Project Final Evaluation	ESF	30000
South and Central Asia	Pakistan	Science and Technology Program Mid-Term Evaluation	ESF	200000
South and Central Asia	Pakistan	FISP - Midterm Evaluation	ESF	250000
South and Central Asia	Pakistan	Political Party Development Program Performance Evaluation	ESF	270000
South and Central Asia	Pakistan	Gender equity program	ESF	175000
South and Central Asia	Pakistan	Fulbright scholarship program	ESF	350000
South and Central Asia	Pakistan	HEC cash transfer I and II	ESF	300000
South and Central Asia	Pakistan	KP Reconstruction-Mid term Evaluation	ESF	250000
South and Central Asia	Pakistan	Mid-Term Performance Evaluation of TRADE Project	ESF	300000
South and Central Asia	Tajikistan	Impact Evaluation of Local Governance Project	AEECA	298505

Bureau	Operating Unit	Evaluation	Funding Accounts	Estimated (in USD)
East Asia and Pacific	Vietnam	Persons with Disability End of Program Performance Evaluation	DA	20000
South and Central Asia	Central Asia Regional	Central Asia HIV/AIDS Program Evaluation	PEPFAR	150000
BFS - Bureau for Food Security	USAID Bureau For Food Security (BFS)	External Evaluation of the Nutrition Innovation Lab in Africa and Asia	DA	125000
BFS - Bureau for Food Security	USAID Bureau For Food Security (BFS)	External Performance Evaluation of the Feed the Future Innovation Lab for Collaborative Research on Adapting Livestock Systems to Climate Change	DA	100000
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Evaluation of gender/energy in Bangladesh energy program	DA	200000
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Evaluation of Three NRM/IRM Mechanisms: Global Sustainable Tourism Alliance	DA	133333
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Evaluation of Three NRM/IRM Mechanisms: TransLinks	DA	133333
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Evaluation of Three NRM/IRM Mechanisms: Property Rights and Resource Governance	DA	133333
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Impact of REDD on Tenure, Livelihoods, Governance, and Forest Cover in Zambia (Community-based Forest Management Program)	DA	840000
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Doing Business - Partnership with IFC/BRD - Benin	DA	285000

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Est Budget (in USD)
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Doing Business - Partnership with IFC/IBRD - Georgia	DA	170000
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Doing Business - Partnership with IFC/IBRD - Kenya	DA	285000
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Doing Business - Partnership with IFC/IBRD - Rwanda	DA	265000
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	SERVIR Performance Evaluation	DA	1500000
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Impact of Communal Land Governance Strengthening on Pastoral Production and Livelihoods in Ethiopian Lowlands (LAND)	DA	740000
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Portfolio Review of USAID Decentralized Energy Projects	DA	554695
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Impact of the Regional Clean Energy Initiative	DA	1850000
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Sustainable Conservation Approaches Priority Ecosystems (SCAPES) Evaluation	DA	150000
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	USFS Participating Agency Program Agreement (PAPA)	DA	140000
E3 - Economic Growth, Education, and Environment	USAID Economic Growth, Education and Environment (E3)	Doing Business - Partnership with IFC/IBRD - Malawi	DA	285000

Bureau	Operating Unit	Evaluation Title	Funding Agencies	ES Budget (in USD)
Europe and Eurasia	Armenia	Evaluation of Entrepreneurship and Civic Activism for Young People Project	AEECA	100000
Europe and Eurasia	Azerbaijan	Mid-term performance evaluation of the Building Local Capacity for Development (BLCD) Project	AEECA, ESF	135710
Europe and Eurasia	Azerbaijan	Final performance evaluation of the Youth Business Leadership Project	AEECA	86657
Europe and Eurasia	Bosnia and Herzegovina	Performance Evaluation of the Excellence in Innovation Project	Other*	45761
Europe and Eurasia	Bosnia and Herzegovina	Evaluation of Partnership for Advancing Reforms in the Economy Project	AEECA	60080
Europe and Eurasia	Georgia	Performance Evaluation of Municipal Infrastructure Project and Internally Displaced Persons (IDP) Durable Housing Project	ESF	89264
Europe and Eurasia	Georgia	Power and Gas Infrastructure Project (PGIP) Mid-Term Performance Evaluation	ESF	137470
Europe and Eurasia	Georgia	Impact Evaluation of New Economic Opportunity (NEO)	AEECA, Other*	469547
Europe and Eurasia	Georgia	Mid-term evaluation of the Advancing National Integration (ANI) program	ESF	93959
Europe and Eurasia	Georgia	Mid-term Performance Evaluation for the Good Governance in Georgia (G3) Program	ESF	134400

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Est. Project (in USD)
Europe and Eurasia	Macedonia	Judicial Strengthening Project Performance Evaluation	AECEA	80000
Europe and Eurasia	Macedonia	Inherent Integration in Education Project Performance Evaluation	AECEA, ESF	188000
Europe and Eurasia	Serbia	Mid-term Performance Evaluation of Judicial Reform and Government Accountability Project	ESF	187278
Europe and Eurasia	Ukraine	Local Investment and National Competitiveness Project Evaluation	AECEA	200000
Europe and Eurasia	Ukraine	Strengthening Civil Society in Ukraine Project Evaluation	AECEA	150000
Europe and Eurasia	Ukraine	UNITER performance project evaluation	FSA	150000
GH - Global Health	USAID Global Health (GH)	Evaluation of the Impact of Malaria Control Interventions on All Cause Mortality in Children under-five in Ethiopia	GHCS	450000
GH - Global Health	USAID Global Health (GH)	Evaluation of the Impact of Malaria Control Interventions on All-Cause Mortality in Children Under-five in Malawi	GHCS	450000
GH - Global Health	USAID Global Health (GH)	Health Policy Program Mid-Term	GHCS	202708
GH - Global Health	USAID Global Health (GH)	Evaluation of the Impact of Malaria Control Interventions on All Cause Mortality in Children Under-five in Senegal	GHCS	450000

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Estimated (in USD)
Western Hemisphere	Colombia	Attention for Landmine Victims in Colombia	ESF	20000
Western Hemisphere	Colombia	Areas for Municipal-Level Alternative Development (ADAM) and More Investment for Sustainable Alternative Development (MIDAS) Sustainability Evaluation	ESF	50000
Western Hemisphere	Colombia	People-to-People Resolution of Land and Natural Resources Conflicts in Colombia (PROTERRA)	ESF	33000
Western Hemisphere	Colombia	Final Performance Evaluation: Public Policy Program	ESF	27500
Western Hemisphere	El Salvador	Final Performance Evaluation of the Municipal Competitiveness Project (MCP) activity	Other*	148784
Western Hemisphere	Guatemala	Evaluation of Western Highlands Integrated Program	DA, GHCS, Other*	850000
Western Hemisphere	Nicaragua	Health Sector Final Evaluation	GHCS	23000
Western Hemisphere	Nicaragua	Promotion of Economic and Social Development in Nicaragua (FUNIDES) Mid Term Evaluation	DA	5000
Western Hemisphere	Peru	Health Sector Exit Plan - Phase 1	CSH	13250
Western Hemisphere	Peru	PRA II: Final Impact evaluation on poverty reduction in targeted areas.	DA	31600

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Est Budget (in USD)
Western Hemisphere	Peru	Alternative Development Retrospective Impact Evaluation	DA	77850
Western Hemisphere	Peru	Peru Forest Sedor Initiative PFSI- Mid-term evaluation	DA	125983
Western Hemisphere	USAID Latin America and Caribbean Regional (LAC)	Value Chain Impact Evaluation: USAID Assistance to Smallholder Farmers in Guatemala	DA	350000
Western Hemisphere	USAID South America Regional	Amazon Malaria Initiative Mid-Term Evaluation	DA	100035
Near East	Egypt	End of Project Performance Evaluation of Maternal and Child Health Integrated Program	ESF	181070
Near East	Jordan	End-Line Survey for EGRA/EGMA	ESF	500000
Near East	Jordan	Youth for the Future End of Project Evaluation	ESF	150000
Near East	Jordan	Institutional Support & Strengthening Project Mid-term Evaluation	ESF	120495
Near East	Jordan	Fiscal Reform II End of Project Evaluation	ESF	179035
Near East	Yemen	Final Evaluation of the Health Program of the Community Livelihoods Project	GHCS	150000

Bureau	Operating Unit	Evaluation Title	Funding Accounts	Estimate (in USD)
Near East	Yemen	Final Evaluation of Yemen Promoting Youth Conflict Engagement	Other*	150000
PPL - Policy, Planning and Learning	USAID Policy, Planning and Learning (PPL)	Priority Evaluation - Basic Education	DA	1317000
PPL - Policy, Planning and Learning	USAID Policy, Planning and Learning (PPL)	Priority Evaluation - Extreme Poverty	DA	1000000
Western Hemisphere	State Western Hemisphere Regional (WHA)	Mid-Term Performance Evaluation of the Skills and Knowledge for Youth Employment (SKYE) program - Guyana	ESF	350000
USAID Asia Regional	USAID Asia Regional	Mid-Term Evaluation for Contribution to High Asia Runoff from Ice and Snow (CHARIS)	DA	1500

12. Now that you have four years of evaluation data, what have you learned and what has USAID done with that new information? How have evaluations changed the way USAID makes decisions about what it funds? Please provide specific examples.

The evidence learned from evaluations has significantly improved management of USAID programs and projects. Since 2011, over 950 evaluations, and expanded training in evaluation for over 1400 USAID staff, have bolstered active management by missions and operating units in evidence-based decision making. Annual performance data indicates that of the 224 evaluations completed in FY2014, operating units reported that 61 percent were used to inform decisions about follow-on program, project and activity design, 40 percent informed ongoing project management, and 13 percent influenced decisions by host governments or other donors, among other uses. USAID has also commissioned an independent evaluation to examine evaluation utilization across the Agency, which will provide rich data on trends and practices in evaluation use. This study is due to be completed in September 2015.

An additional study conducted in the past few months analyzed 117 evaluations across multiple sectors. Some key findings include that the quality scores of evaluation reports nearly doubled between 2010 and 2014 and the percentage of evaluations that addressed gender equality quadrupled between 2011 and 2014.

Here are a few examples from USAID programs around the world that highlight how lessons learned through program evaluations have informed decisions.

- *Guatemala*: The end-of-project evaluation of the Program Against Violence and Impunity was timed to inform the new project design process. The findings influenced the choice of performance indicators and validated much of the new project design work that had been done to that point. The evaluation found that the former performance

monitoring indicators were not a useful measure of activity success as they were undervaluing the activity of the courts and their successes.

- *Rwanda*: Mid-term evaluation findings for a basic education program resulted in increased attention to building the capacity of school-based mentors and ensuring that government delivery of teacher training was strengthened. Also in Rwanda, a mid-term evaluation of a youth workforce development program prompted additional monitoring to ensure sufficient mentoring and coaching services were being provided to youth participants.
- *Regional Development Mission for Asia (RDMA)*: A mid-term evaluation of the ARREST project (Asia's Regional Response to Endangered Species Trafficking) made a set of recommendations to change the course of the project for its duration. Specifically, USAID acted on the evaluation recommendation to move away from basic awareness raising and communications work to focus more on *strategic behavior change communications* to decrease demand for illegal wildlife products in Asia, a more targeted and effective approach. The evaluation findings are also informing the design of one to two new activities currently under design that are aimed at addressing demand for wildlife products and wildlife crime in the region.
- *Georgia*: Findings from a mid-term evaluation of the Judicial Independence and Legal Empowerment Project, especially those related to working on the demand side with civil society organizations, were used to strengthen outcomes in the final year of the project by combining support to the judiciary with support to civil society to achieve greater results and sustainability.

- *Iraq*: Evaluation findings were used to strengthen the sustainability of legal aid clinics and increase their effectiveness in advocacy and move to develop a national network of legal aid civil society organizations, law school clinics, and legal associations.

Procurement Reform

13. When USAID began proposing USAID Forward and procurement reform, the costs of these reforms were intended to reduce contracting and other overhead costs. How are these savings being estimated? What are the latest estimates?

The Agency's procurement reforms, through USAID Forward, are producing both cost savings and efficiencies as we focus on developing local capacity. These savings and efficiencies are primarily expected to be realized as development investments that yield long-term sustainability and results.

For example, in South Africa, the Voluntary Medical Male Circumcision (VMMC) activity has been proven to reduce direct heterosexual HIV transmission from females to males and may indirectly reduce infection to women. The utilization of a local partner (Right to Care) has facilitated the delivery of results that were less costly by an estimated \$6.6 million dollars.

Cost savings and efficiencies are also being realized in other initiatives, including the purchasing and distribution of global health commodities. USAID's global health funding has remained relatively stable over the last few years. However, through our new approaches to purchasing and distributing supplies, we are able to reach millions more people at the same funding level. The new approaches consist of: a) consolidating disease elements under one program; b) easing the burden of field office management; c) integrating performance monitoring plans; d) improving visibility into all elements of the supply chain; e) achieving greater efficiencies in operational costs; f) employing new metrics for gauging the capacity of

supply chain systems and designing interventions; and g) introducing health commodity technology at a broader scale.

Another example of USAID realizing cost savings and efficiencies is through our use of Grand Challenges for Development and Development Innovation Ventures (DIV). Of particular note is the Fighting Ebola Grand Challenge, which prompted 1,500 submissions, including a new healthcare worker suit designed by Johns Hopkins University's Center for Bioengineering Innovation & Design (CBID) and Jhpiego. The improvements, including easier doffing and removal and improved cooling features, will reduce the human and financial costs associated with a future outbreak of Ebola or a similarly deadly virus. USAID's "Dispensers for Safe Water" program, a Development Innovation Venture, is scaling up the installation of chlorine dispensers in East Africa to improve the safety of drinking water. Chlorination is estimated to reduce childhood diarrhea, a disease responsible for an estimated one million deaths in children under 5, by between 20 to 40 percent. At scale, these chlorine dispensers could cost less than \$0.50 per person annually as the project delivers chlorine to communities in bulk and uses local promoters to encourage sustained use.

We consider all of these savings and efficiencies as important measures of improvement in our corporate business processes for development programs. As we have institutionalized procurement reforms, we have not tracked these cost savings separately. Rather they are considered part of USAID being able to achieve greater impact with the resources we receive and disseminate. Finally, it is important to note that many of these cost savings will be a long-term result of USAID's continued investment in developing local capacity and institutions, which will lead to more sustainable outcomes.

14. Please update last year's staffing chart to show the increases in staff attributable to USAID Forward reforms by bureau.

Local Solutions	CS Positions
Africa	4
BFS	1
DCHA	8
E3	4
GC	2
Global Health	3
M	26
OSDBU	2
Total	50

15. What are the results of the Implementation and Procurement Reform (IPR) Initiative? Are programs performing better or worse? Please give examples.

Formerly referred to as Implementation and Procurement Reform (IPR), Local Solutions reflects the Agency's commitment to partnering directly with local actors and local systems to create the conditions whereby countries can sustain their own development. Local Solutions advances USAID's commitment to sustained development as reflected in our Framework, which recognizes that achieving and sustaining any development outcome depends on the contribution of multiple and interconnected actors. Therefore, building the capacity of a single actor or strengthening a single relationship is insufficient; rather the focus needs to be on increasing the performance of the system as a whole – the actors, interrelationships, and the incentives that guide them. To the extent prudent, appropriate and consistent with U.S. government foreign relations and assistance objectives, we are committed to country ownership of priorities, implementation, and domestic resourcing. Thus, where sustainability and country ownership are the end goals, USAID is ready to deploy all of our development tools to use, strengthen, and partner with local systems – government, civil society, and private sector.

PROGRESS TO DATE

- A commitment to obligate 30 percent of USAID mission program funds (obligated during a specified time frame) through local partners drove organizational change within USAID. That 30 percent target is a worldwide aspirational goal, not a hard mission-by-mission mandate, and just one barometer of progress.
- Pursuant to this commitment, obligations to local entities doubled between FY 10 and FY 13. They declined overall from 17.9 percent for FY 13 to 16.9 percent in FY 14. This decrease is in part due to a decline in total funds allowed -- and thus obligated for Local Solutions -- in Afghanistan and Pakistan, which are among the largest contributors by budget to Local Solutions programming.
- Excluding those countries, we continue to witness a steady, prudent increase of funds obligated to local entities from 9.9 percent in FY 12 to 15.1 percent in FY 14.
- Since 2010, we have more than doubled the amount of funding (from \$381 million to \$862 million) provided to local civil society and private sector organizations.
- USAID missions are increasingly framing their new strategies and programming around Local Solutions, including country ownership, and sustainability.
- Missions report direct mentoring and engagement by their staff, including Foreign Service Officers and Foreign Service Nationals, with local partners. For example, in Senegal, staff is embedded and building capacity in ministries and stationed at the regional and local levels with local governments.

SUCCESESSES

Below are examples of success in implementing Local Solutions based on this year's performance reporting:

- **Guatemala:** Feed the Future works innovatively to engage local and international entrepreneurs, non-profits, faith-based organizations, and others. Starting in 2012, USAID's five-year, direct awards to the Guatemalan Exporters Association (\$23 million) and the Guatemalan National Coffee Association (ANACAFE) (\$19 million):
 - benefitted 15,462 rural households;
 - supported 232 producer groups to expand production and marketing of horticulture, coffee and handicraft products; and,
 - created 10,531 local jobs in the horticulture, coffee and handicraft value chains.
- **Georgia:** Between FY 2009 and 2014, USAID's mission in Georgia channeled substantial post-conflict supplemental resources through host country entities, including the Georgia State Electro-systems (GSE), and the Georgia Oil and Gas Corporation (GOGC). USAID support to the GSE, a host country organization responsible for electric power transmission and dispatching in Georgia, improved the functionality of electricity transmission substations and lines, shortened power outages, reduced transmission losses and improved the power transmission quality. Work with the GOGC resulted in the rehabilitation or construction of over 200 kilometers of natural gas pipeline and allowed for the procurement of maintenance equipment. As a result, thousands of additional families and businesses in West Georgia are now benefiting from natural gas. For these collaborative post-conflict reconstruction efforts, USAID investment was \$96 million whereas local counterparts put forward over \$186 million.

- **South Africa:** In collaboration with the South African Government, USAID/South Africa established its Voluntary Medical Male Circumcision (VMMC) activity which provides high quality, high volume, and high efficiency VMMC services to males ages 15-49 in rural and urban areas. VMMC has been proven to reduce direct heterosexual HIV transmission from females to males and may indirectly reduce infection in women. By using a consortium of local partners (CHAPS, Anova, Match) led by Right to Care, who are familiar with the local development environment, to conduct VMMC, USAID was able to save \$6.6 million from the original cost estimate. This savings freed up resources to allow an additional 5,000 HIV infections to be averted over a 10-year period.
- **Peru:** In 2013, USAID helped Peru's National Counter Narcotics Authority, DEVIDA, to secure legal authority to plant alternative crops. With this authority and \$5 million in government-to-government assistance from USAID, DEVIDA became the lead in supporting communities who quit illicit coca cultivation. In FY14, DEVIDA helped 6,419 families from 199 communities give up illicit coca by planting more than 7,700 hectares of alternative crops. DEVIDA now plants half of all alternative crops in Peru, a sustainable local solution to reducing Peru's illicit coca production.
- **Nepal:** In Nepal, USAID worked with a local pharmaceutical company to develop a chlorhexidine (CHX) gel despite the lack of an existing market. CHX had been proven in clinical trials to reduce infant mortality by a staggering 34 percent. We are scaling the supply of chlorhexidine (CHX) gel in Nepal, Madagascar, Nigeria, and Liberia.

CHALLENGES

- Engaging and working through local systems is a fundamentally different way of doing business.
- Our assessment and design processes must be streamlined to match Mission resources and insofar as possible, be timed to complement local actors' own budgeting, planning and design processes.
- We need to align how we recruit, hire, assign, mentor, train and promote our staff with our commitment to sustainability and country ownership.
- Many local NGOs lack the experience to manage USAID's large projects, which is leading to smaller grants and limits to scale.
- We recognize the long-term nature and value of working with local organizations and local systems to enhance sustainability, while at the same time balancing this with the need to demonstrate short-term results.

THE WAY FORWARD

- We are improving our practices through: 1) clear, accessible guidance, 2) core training, and 3) staff incentives to promote country ownership and sustainability as end goals rather than relying solely on an Agency-wide, budget-based indicators to leverage change.
- We continue to simplify our processes without diluting standards as they relate to design, financial management, and procurement.
- Through guidance and training, we are re-conceptualizing how we perceive and manage various forms of risk beyond fiduciary risk, including reputational risk.
- Where organizational capacity development is a stated objective, we are measuring whether that investment is resulting in improved organizational performance improvement.

- We are framing our objectives, as relevant, around sustainability and country ownership. We are measuring the effectiveness of our different modalities of assistance, including Local Solutions, against progress towards those objectives. This includes selected ex-post evaluations to assess what is actually sustained three to five years after a project has ended.

16. What is USAID doing to include U.S. based companies, small businesses, and universities, in its programs?

Fostering partnerships with U.S. based companies, small business, and universities is central to USAID's mission statement – "we partner extreme poverty and to promote resilient, democratic societies while advancing our security and prosperity."

USAID works to build partnerships that leverage the combined expertise, assets and resources of the public, private, and nonprofit sectors to deliver cost-effective and results-oriented development solutions. In the past twelve years, USAID has built over 1,500 alliances involving more than 3,500 unique partner organizations, leveraging more than \$20 billion in public and private funds. These partners include innovators and entrepreneurs who incubate and scale solutions to global challenges, U.S. based companies that work to improve the business environment in developing countries, identify growth opportunities, and pursue inclusive business models, as well as universities, in order to leverage the ingenuity and passion of students, researchers, and faculty to develop science and tech based development solutions.

The open development programs of the Global Development Lab, including the Grand Challenges for Development and Development Innovation Ventures, provide opportunities for American scientists, researchers, entrepreneurs, and innovators to help solve some of humanity's greatest challenges. Our Higher Education Solutions Network (HESN), a multidisciplinary research and development effort led by seven world-class universities, six of

them in the United States, is working directly to evaluate and strengthen real-world innovations in development. This network is creating a vibrant framework of cooperation between development professionals and academia by harnessing the ingenuity and passion of scientists, students, faculty, and entrepreneurs.

Over the last year, USAID has expanded its outreach and communications efforts to provide forums and opportunities for potential partners, including U.S. based companies, small businesses, and universities, to engage with USAID.

In March 2015, PPL awarded the Evaluation and Performance Monitoring Services Indefinite Delivery, Indefinite Quantity (IDIQ) Contract to 15 small businesses. This IDIQ is 100 percent small business procurement with a ceiling of \$455 million over five years. This ceiling represents the largest small business contract ceiling that USAID has ever awarded. Under the IDIQ, the small businesses will provide a full range of professional program monitoring and evaluation services to USAID Missions (operating units), and Bureaus worldwide.

In July 2014 and March 2015, USAID hosted Partners Day sessions that included more than 150 different organizations. These sessions allowed USAID to share Agency priorities and key work objectives, and to listen to partners' ideas and concerns. USAID has also hosted outreach events directed at the work of specific bureaus including an Open House that focused on our work in education, economic growth and the environment, and outreach sessions for small businesses interested in our work in Africa.

In addition, USAID continues to host our annual Small Business Conference that has brought in more than 200 individuals and organizations for each of the past seven years. The impact of this outreach is demonstrated by a steady increase in the Agency's use of small businesses as evidenced by reaching and exceeding our small business utilization goals. In 2009,

our domestic acquisition dollars obligated to U.S. small business was 8.66 percent (or \$89M), which garnered an “F” grade from the Small Business Administration for our utilization of small businesses. However, by FY2013, USAID improved to an “A” grade from the Small Business Administration and in FY2014 USAID obligated 20.8 percent of its domestic acquisition dollars (or \$289M) to U.S. small business. Worldwide, USAID obligated 12.1 percent of its domestic acquisition dollars to U.S. small businesses in FY2014.

Complementary to regular events, USAID also hosts monthly meetings with each of the main development associations – InsideNGO, the Small Business Association for International Companies (SBAIC), and the Professional Services Council (PSC).

To increase engagement with the university community, USAID recently hired a Higher Education Coordinator to ensure that institutions of higher education are given appropriate consideration in its work. USAID also has a Minority Serving Institutions (MSI) Coordinator whose role is to make sure that Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs), Tribal Colleges and Universities (TCUs), and other MSIs are given consideration in USAID’s work.

Finally, USAID has significantly increased its outreach efforts around its Business Forecast. Each quarter USAID releases a forecast of upcoming partnership and funding opportunities. USAID has established an e-mail distribution list for organizations interested in receiving updates on the forecast and has begun conducting quarterly calls with partners to answer questions about upcoming opportunities.

Global Health

17. The President's request for FY16 includes decreases relative to the enacted FY 14 levels for the Global Health programs that USAID administers to fight tuberculosis. Please provide a list of countries in which programs will be reduced in FY16 compared to FY14 including narrative explaining the reductions.

The world is on track to reach the Millennium Development Goals (MDG) target of reversing TB incidence by 2015. Since 1990, the global community has reduced the number of deaths from TB by 45 percent and reduced TB prevalence by 41 percent. Further, since 2000, nearly 37 million people have been successfully treated for TB.

The U.S. Government is a leader in the global fight against TB and the largest bilateral donor in this effort, supporting programs in countries with the highest TB burdens led by the U.S. Agency for International Development (USAID). Other agencies involved in global TB programs include, the Department of State's Office of the U.S. Global AIDS Coordinator, the Centers for Diseases Control and Prevention, the National Institutes of Health, and the Department of Defense.

Further, the U.S. Government remains the largest donor to the Global Fund to Fight AIDS, Tuberculosis and Malaria, and the Global Fund has provided more than \$4.3 billion for TB grants since its inception. Nearly three-fourths of annual donor funding for TB is provided by the Global Fund.

The FY 2016 Foreign Operations Congressional Budget Justification request for TB is \$348 million, of which \$195 million is USAID, and \$153 million is the Department of State's Office of the U.S. Global AIDS Coordinator. USAID's TB request for FY 2014, FY 2015, and FY 2016 was \$198.5 million, \$197.5 million, and \$195 million, respectively. The FY 2016 request includes lower funding levels compared to the FY 2014 enacted levels for the following countries: Afghanistan, Bangladesh, Burma, Cambodia, Democratic Republic of Congo, Ethiopia, India, Indonesia, Kenya, Kyrgyz Republic, Nigeria, Philippine, South Africa,

Tajikistan, Tanzania, Ukraine, Uzbekistan, Zambia, and Zimbabwe. It is worthwhile noting that each of these countries, with the exception of Burma, has received Global Fund TB grants in the 2014-2016 period ranging from \$16 million to \$90 million and the U.S. Government remains the largest donor to the Global Fund.

18. Please update last year's chart that compares USAID TB programs to other TB programs funded by the United States from fiscal year 2014 through the fiscal year 2016 request.

USAID funding for TB programs is detailed below. The FY 2016 Foreign Operations Congressional Budget Justification TB request is \$348 million, of which, \$195 million is USAID, and \$153 million is the Department of State's Office of the U.S. Global AIDS Coordinator.

	FY 2014 request	FY 2014 actual	FY 2015 request	FY 2015 estimate	FY 2016 request
USAID	\$198.5m	\$242.5m	\$197.5m	\$242.3m	\$195m

On average, PEPFAR programs \$130-160 million each year for TB. Further, three-quarters of the annual international donor funding for TB is provided by the Global Fund to Fight AIDS, Tuberculosis and Malaria and the U.S. Government remains the largest donor to the Global Fund.

The U.S. Government has a new (2015–2019) long-term strategy to Reach, Cure, and Prevent TB. This strategy will align with the recently approved World Health Organization End TB Strategy and targets. The long-term strategy will focus its efforts and resources on key technical areas, which are vital to effectively addressing the global TB epidemic. The U.S. Government is committed to working with the global community in an effort to reach every person with TB, cure those in need of treatment, and prevent new infections.

Development Credit Authority

19. Of all the guarantees issued by Development Credit Authority (DCA) using FY 2014 and FY 2015 funds to date, what is the estimate of guarantees issued over 50%?

Of the 32 total guarantees USAID issued in FY14 (using FY14 and prior year funding), three exceeded the 50 percent standard guarantee rate: the Afghanistan FMFB/FINCA transaction, the Latin America regional Coffee Rust transaction, and the Tanzania Mapembasi Hydro Power Africa transaction. There have been no guarantees issued to date with FY15 funds. Across the entire DCA portfolio to date, only 5 percent of the total funds financial institutions could lend - under guarantee - are over 50 percent coverage.

DCA does not structure guarantees greater than 50 percent unless market conditions in a country/region/sector require it. Even then, DCA is very selective and deliberative in determining whether or not to elevate the guarantee percentage above 50 percent. Any proposed guarantee over 50 percent requires explicit approval by DCA's chief risk officer and the Agency's Credit Review Board.

20. With regard to the DCA guarantee for the Pledge Guarantee for Health (PGH), have any funds been disbursed or any guarantees been made? Please describe in detail.

While the Pledge Guarantee for Health (PGH) has not guaranteed any loans to date under the DCA facility, PGH has been achieving success toward the goals we support. Most notably, it successfully partnered with Merck/MSD and the Global Fund to drop the price of Peg-Intron, an on-patent medicine for Hepatitis C, by more than 50 percent. This allowed the Global Fund to authorize, for the first time, a procurement of a Hepatitis C drug.

The DCA-supported PGH transaction began as a portable guarantee in which PGH was required to go to the market and find qualified lender(s) that conform to DCA requirements. Earlier this year, PGH identified and then negotiated with three such lenders: Standard Bank, Ecobank, and the Calvert Foundation.

Over this time period, however, the landscape for bridge financing for the purchase of health commodities began to change dramatically. The Global Fund began to accelerate its payments for health commodities and also shifted to procuring commodities internally and delivering them directly, obviating the need for initiatives like PGH to provide bridge financing. Simultaneously, other multinational NGOs began to create and leverage their own internal revolving funds to provide bridge financing support.

As a result of these positive market changes, USAID is currently in the process of independently evaluating the full landscape for bridge financing for commodities to determine whether there is still a need for PGH guarantees. If the evaluation finds that there is no longer a market need for PGH-supported bridge financing, USAID will not move forward with the implementation of the PGH transaction.

HIV/AIDS Working Capital Fund

21. Please provide a detailed chart showing all inflows and outflows from the HIV/AIDS Working Capital Fund during fiscal year 2013 and fiscal year 2014. Please include source of funds as well as beginning and ending balances. Please break out appropriated and non-appropriated funds.

(\$ in millions)	FY2013 Actual	FY2014 Actual	FY2015 Estimate
Budgetary Resources and Obligations			
Unobligated balance brought forward, Oct 1	414	236	495
Spending authority from offsetting collections	403	612	415
Total budgetary resources available	817	848	910
Obligations incurred	582	353	450
Unobligated balance end of year	235	495	460
Obligated Balances and Disbursements			
Undisbursed obligations brought forward (net), Oct 1	246	391	232
Obligations incurred	582	353	450
Total obligated balance	828	744	682
Disbursements	-478	-512	-625
Obligated balance end of year	350	232	57

The HIV/AIDS Working Capital Fund (WCF) was established in 2006 to assist in providing a safe, reliable, and sustainable supply chain of pharmaceuticals and other products needed to provide care and treatment for persons with HIV/AIDS and related diseases. Beginning in FY 2014, Congress expanded the authorization to include pharmaceuticals and other products for child survival, malaria, and tuberculosis.

The WCF does not receive direct appropriations. Funding is deposited in the WCF by the Department of State, USAID, other U.S. government agencies, donors and host governments, including the Centers for Disease Control and Prevention, the World Health Organization, and United Kingdom's Department for International Development for commodity procurement. The WCF also receives repayments of funds advanced to host country governments and the Global Fund to Fight AIDS, Tuberculosis and Malaria to avert stock-outs of life-saving HIV/AIDS commodities. As of April 2015, donors and host governments have deposited \$24 million, including \$9 million in FY 2014.

The funds are obligated into the PEPFAR procurement agent (i.e., Supply Chain Management System) for the purchase of life-saving HIV/AIDS commodities. The WCF, which

is managed by USAID, does not incur travel or other administrative expenses nor does it generate a profit.

22. Please provide financial details of the HIV/AIDS Emergency Commodity Fund

Within the HIV/AIDS Working Capital Fund, PEPFAR established the HIV/AIDS Emergency Commodity Fund (ECF) in 2010 to provide flexibility and resources to respond to emergency situations in countries where potential stockouts of key commodities, such as antiretrovirals (ARVs), threaten continuity of essential HIV treatment services. The ECF is intended to provide support over a limited time period, and is not intended to be used for treatment scale-up situations where resources have not been identified to maintain that scale-up. In addition, ECF requests must include a description of the underlying causes of the pending stockout and evidence of plans for remedy. Replenishment of funds advanced through the ECF is the standard, although this may be delayed, or waived when the ECF is used to leverage significant host resources or other policy changes.

Since 2010, the ECF has been utilized to avert ARV stockouts in 13 countries (Benin, Cameroon, Dominican Republic, Ghana, Guatemala, Guyana, Liberia, Namibia, South Sudan, Swaziland, Tanzania, Togo, and Uganda). More than \$50 million has been disbursed to procure commodities to avert stockouts of essential HIV commodities, and approximately \$26 million has been repaid by host country governments or the Global Fund to Fight AIDS, Tuberculosis and Malaria. The chart below details the deposits, commitments, repayments and current balance of the ECF, as of April 2015.

PEPFAR Deposits	Disbursement s	Repayment s	Current Balance
72,154,328	(52,123,702)	26,129,973	46,160,281

23. Please provide details on how the expanded authority included in the FY14 Appropriations Act is being implemented.

USAID is in the early stages of structuring the implementation of the new authority, which will allow other global health activities to use the HIV/AIDS Working Capital Fund (WCF). Within USAID's Bureau for Global Health, the various health elements are assessing current and future programming needs that could benefit from the WCF. USAID's FY 2016 appropriated funds aimed at the strategic priority of Ending Preventable Child and Maternal Deaths may use the WCF for pooled procurement of health commodities essential to avert child and maternal deaths. We expect the WCF leveraging of FY 2016 funds to increase the effectiveness of our efforts to end preventable child and maternal deaths and are appreciative of the expanded authority.

Duplication and Coordination

24. What can be done to improve coordination among the many U.S. agencies overseas and prevent duplication?

USAID agrees that improved coordination among federal agencies is vital not only to achieve better outcomes by leveraging our comparative skillsets but also to guard against duplication and maximize taxpayer investments, particularly in an environment of fiscal constraint.

As we work to institutionalize the recommendations of the Quadrennial Diplomacy and Development Review (QDDR) and tackle new challenges that require better collaboration, there are several mechanisms and programs that allow the State Department, USAID and other agencies to better align priorities, planning, and resource allocation.

The Feed the Future initiative and Power Africa are strong examples of what is possible when the U.S. Government (USG) collaborates around common goals and objectives. Feed the Future promotes coordination among 12 agencies, as well as hundreds of partners from U.S. Universities to the United States and local private sectors, to drive transformational change to improve global food security. Similarly, Power Africa is coalescing expertise across the U.S. Government to improve one of the most binding constraints to growth in Africa -- access to electricity.

Overseas, as well as at headquarters, continued focus on existing program and budgeting processes is helping to both improve coordination and prevent duplication. In particular, the Joint Regional Strategy (JRS) and Integrated Country Strategy (ICS) processes have proven to be very effective tools for promoting interagency coordination and preventing duplication of efforts. These processes have been implemented successfully since 2011, and State and USAID continue to work to refine them in order to make these planning tools more efficient and effective.

JRSs provide concrete goals and objectives, and draw a clear path to impact and results by incorporating input from relevant Functional Bureau and Mission stakeholders, creating a full picture of a Region's operational context. The JRS informs State and USAID annual Bureau Resource Requests and Mission-level planning, as reflected in the ICS. ICSs, which are led by Chiefs of Mission, are multi-year, overarching strategies that encapsulate USG policy priorities and objectives in a single country. Development Objectives as specified in a country's USAID Country Development Cooperation Strategy are incorporated into ICSs as Mission Objectives. The ICS allows USG agencies to avoid duplication and plan for complementary programming, encouraging agencies to focus their efforts in areas of comparative strength. As implementation enters its fourth year, we consider the JRS and ICS processes to have been successful thus far,

even as we continue to look for opportunities to improve upon them. Coordination in foreign disaster assistance continues to be strengthened as well, even as we face increased demands such as the Ebola crisis and Nepal earthquake. The USAID Administrator also serves as the Special Coordinator for International Disaster Assistance pursuant to the authority of Section 493 of the Foreign Assistance Act of 1961. These efforts have required strong lines of authority and communication between USAID and the Department of Defense, as well as other agencies. Preparedness, flexible tools and dedication to evidence-based decision-making allow us the flexibility in coordination that has been hallmark to success in this area.

25. What changes need to be made now so that this Committee can be assured that taxpayer dollars are being spent wisely?

USAID is committed to spending U.S. taxpayer dollars wisely. Achieving our mission to partner to end extreme poverty and promote resilient democratic societies, requires us to embrace a new model of development that is rooted in local ownership and mutual accountability, leveraging private investment and other external resources; and harnessing scientific and technological advances to spur disruptive innovation – all to scale and multiply the impact of development efforts globally through wise investment of U.S. taxpayer dollars.

We are seeing the impact of this approach through initiatives like Power Africa, where for every \$1 the U.S. has committed, the private sector has committed \$2—leveraging over \$20 billion so far from approximately 100 private sector partners. Likewise, the U.S. Global Development Lab continues to prioritize generating, testing, and scaling breakthrough solutions to achieve development outcomes faster, better, and cheaper. For example, we are working to scale up an antiseptic that has been shown to reduce neonatal mortality in Nepal by a remarkable

34 percent—for less than 15 cents a tube. In addition, USAID monitors on an ongoing basis the performance of all of our programs and the majority of USAID resources are subject to evaluation to ensure accountability and to learn and continually improve as we strive to achieve development results.

This new model of development is highlighted in the recently released 2015 Quadrennial Diplomacy and Development Review (QDDR), which commits us to continue our efforts to leverage talent, technology, and knowledge across our organization, and to strengthen sound planning and data-use to improve our decisions, thereby maximizing the impact of our resources. With the support of Congress, we are strengthening and streamlining our processes, and continuing to focus relentlessly on results and accountability.

USAID Office of Inspector General

26. How long has it been since there was a Senate confirmed Inspector General at USAID?

There has not been a Senate confirmed Inspector General at USAID since October 15, 2011, when Donald Gambatesa resigned. On May 8, 2015, the White House announced the President's intent to nominate Ann Calvaresi Barr to become the next USAID Inspector General. On May 11, the nomination was received in the Senate.

27. When does the Administration expect to nominate a new Inspector General?

As mentioned in the response to Question # 26, on May 8, 2015, the White House announced the President's intent to nominate Ann Calvaresi Barr to become the next USAID Inspector General and on May 11, the nomination was received in the Senate.

WEDNESDAY, MARCH 18, 2015.

**DEPARTMENT OF TREASURY INTERNATIONAL
PROGRAMS**

WITNESS

HON. JACK LEW, SECRETARY, DEPARTMENT OF TREASURY

OPENING STATEMENT BY CHAIRWOMAN GRANGER

Ms. GRANGER. The Subcommittee on State, Foreign Operations, and Related Programs will come to order.

I would like to welcome Secretary Lew before the subcommittee to discuss the fiscal year 2016 budget request for the Treasury Department's International Affairs Programs.

The funding under review today supports contributions to international financial institutions, such as the International Monetary Fund and the World Bank, global climate change programs, debt relief, and technical assistance programs.

The budget request totals \$3.1 billion, a 28 percent increase above fiscal year 2015. This funding level reflects the Congressional Budget Office's higher scoring of the IMF proposal than that of the administration.

This is the third year that the administration has requested authority and funding for the IMF. In the past, there has not been sufficient congressional support for the IMF proposal. And, frankly, I don't expect much to change this year.

Turning to the World Bank and the regional development banks, I have continued to express concerns about multiyear funding commitments made to these institutions. The administration argues that these organizations give us more "bang for the buck", but I question whether these multilateral institutions are being held to the same standards as our bilateral programs.

The banks' lack of transparency in allocating funds and decision-making hurts their support in Congress. Increasingly, it seems the United States is one of the only voices demanding responsiveness and accountability.

I would like to hear from you today about the efforts these institutions are making to publicly track funding and provide independent evaluations of program effectiveness.

Last year the administration made a multi-billion-dollar pledge to the new Green Climate Fund. When you commit the United States to controversial programs that are unlikely to be fully funded by the Congress, the administration puts the credibility of the United States on the line. Mr. Secretary, I hope you can discuss this more with the subcommittee today.

Finally, while the Treasury Department's role in U.S. policy toward Cuba lies more in the jurisdiction of the Financial Services Subcommittee, this subcommittee is also closely following the ad-

ministration's move to normalize relations with Cuba, and I have deep concerns.

Secretary Lew, thank you for being here today. We have many important topics to discuss.

I will now turn to my ranking member, Mrs. Lowey, for her opening statement.

OPENING STATEMENT BY MRS. LOWEY

Mrs. LOWEY. Thank you very much.

I join Chairwoman Granger in welcoming our distinguished person here today. Thank you so much for your service to our country.

I appreciate you coming before us today to present the administration's budget request for the coming fiscal year. As a former director of the Office of Management and Budget, you are keenly aware of the factors that go into the preparation of an annual budget proposal. It really is a statement of values.

The administration's fiscal year 2016 proposal calls for investments in research, education, training, and infrastructure. Instead of relying on the outdated and unrealistic budget caps under sequestration, the President calls for them to be replaced with more targeted spending cuts, program integrity measures, and the closure of some outdated tax loopholes. The budget rightly calls for an end to the mindless austerity of sequestration.

My colleagues may not agree with the administration's specific proposals, but I hope they can agree on the premise that a path forward must be found. We did it before with the Murray-Ryan plan, and we are going to have to do it again.

There is simply no way an appropriations process can succeed unless we put in place reasonable allocations that give these bills a chance of being enacted. Without such an agreement, discretionary funding would be at its lowest level as a percentage of GDP since the Eisenhower administration.

The President's 2016 budget request reflects the importance of our continued multilateral cooperation with international financial institutions, such as the IMF and the World Bank. It continues important efforts to address root causes of instability, poverty, poor health, lack of education, as well as continues to promote global economic growth.

Additionally, the President's budget continues to promote our own economic and national security interests while also making important investments in multilateral institutions, recognizing these are a cost-effective way to leverage taxpayer dollars.

To that point, I remain perplexed by some of my colleagues who continue to oppose quota reform for the IMF while simultaneously warning of the risk if the European financial crisis deepens or if a fresh regional economic crisis were to emerge surrounding Ukraine.

The IMF is an excellent tool to help stabilize struggling economies. It provides much needed protection of our own financial institutions in the event of a foreign financial emergency. Unless we support the IMF, I fear the potential effects on our economy would be far worse. I believe we need to maintain our leadership within the IMF, expand its lending capacity, and support the quota reforms.

While there are a myriad of issues we can discuss today, one I hope receives priority is global climate change. As we are all now beginning to better understand climate change, it is not just an environmental concern.

These important programs help reduce the instability caused by population displacement, address declines in global food supply, mitigate major shortages of water. A failure to provide for these priorities risks creating conditions for greater danger, failed states, and populations even more vulnerable to radicalization.

I look forward to hearing about the administration's efforts in the coming fiscal year as well as hearing an update on the effectiveness of prior funding.

Mr. Secretary, we have discussed before the fine work your Department has done in disrupting terrorist financing networks and enforcing sanctions against countries such as Russia, Iran, and North Korea. I continue to be impressed by the work of the Treasury Department and want to commend, in particular, the sustained implementation of these efforts as the backbone of our Iran policy.

I hope to hear what additional economic actions and sanctions the administration will seek if negotiations with Iran fail to yield an agreement permanently denying Iran nuclear weapons capability. Equally, your leadership is crucial in implementing two key prongs of the administration's response to the Ukraine crisis: economic support for Ukraine and sanctions against Russia.

With respect to Russia, I look forward to hearing more about what role our European partners will play in addressing the current situation. I would like to hear directly whether we should expect additional retaliatory countermeasures from Russia and, if so, what form those may take.

Lastly, I hope you will address recent concerns that have been raised about some donors providing loans instead of grants as contributions to multilateral institutions. The committee needs to understand what the implication of this trend is for the United States contributions to these organizations.

Thank you for being with us today. Our country, once again, is privileged to have your experience and thoughtful leadership.

Thank you, Madam Chair.

Ms. GRANGER. Thank you, Mrs. Lowey.

I will now yield to Chairman Rogers for his opening statement.

OPENING STATEMENT BY CHAIRMAN ROGERS

Mr. ROGERS. Chairwoman Granger and Ranking Member Lowey, thank you for holding this important hearing.

Mr. Secretary, good to see you. Thank you for coming in support of your 2016 budget request for international affairs.

Unquestionably, the international programs that fall under your purview at Treasury have an important role to play in fostering U.S. leadership around the globe. Given the tumultuous times in which we find ourselves, this leadership is perhaps more important than ever before.

When Secretary Kerry testified before this committee 3 weeks ago, we heard from him about the global coalition joined in the fight against ISIL, the threats posed to our allies in the Middle East by a nuclear Iran, Russia's bold moves to assert herself in the

region, and how the U.S. can help address the spread of disease and epidemics around the world. These are just a few examples.

I say this to make the point that our contributions to international financial institutions must be targeted to ensure that we are promoting what Secretary Kerry called "the best enhancement of our values and our interests."

With due respect, Mr. Secretary, I am not sure we see eye to eye on some of these investments, to put it mildly. I would like to focus my comments today on your budget proposals, particularly the International Monetary Fund and the Green Climate Fund and the proliferation of policies affecting the U.S. coal industry and power generation for the developing world.

Taking CBO's scoring of the IMF proposal into consideration, Treasury's international programs request totals \$3.1 billion. That is a whopping 28 percent increase over current levels. You know and I know that the committee will not be able to find that level of funding and stay within our discretionary allocation.

As the chairwoman noted, the administration has once again made an IMF proposal that has not had sufficient support in previous Congresses, and the new Green Climate Fund proposal is particularly questionable.

Next, Mr. Secretary, I have serious concerns about the administration's position on coal-fired power generation in developing countries. The President's politically driven anti-coal environmental policies have wreaked havoc domestically, sending tens of thousands of hardworking Americans to the unemployment lines and casting into question our country's long-term energy security.

Coal exports are the one bright spot for the thousands of mining families who are facing disastrous economic conditions in my district and elsewhere. And, yet, administration officials are not only interested in precluding U.S. investment in foreign coal-fired generation, but the U.S. is actively encouraging our international partners, such as members of the Organization for Economic Cooperation and Development, to impose near-impossible conditions on the public financing of coal plants in the developing world. The results of these policies are troubling.

First, I believe what we will see is significant Chinese investment in Sub-Saharan Africa. With China's terrible environmental record, the projects they will fund will be dirtier than if American companies were involved. At the end of the day, these policies are anti-American jobs and they will not have the intended environmental benefits either.

Second, the international community will not make investments in efficient coal plants in places like Pakistan or Ukraine. Given our national security interests in those countries, the U.S. should be encouraging affordable and reliable electricity that can bolster economic growth and job creation there, in turn, reducing instability. I hope you can explain how these policies are in the long-term interest of our country and our allies and partners.

Mr. Secretary, we thank you for being here today. This committee takes seriously our role in overseeing the budget and the policies of the Treasury Department. And we appreciate your continued engagement with us.

Thank you, Madam Chair.

Ms. GRANGER. Secretary Lew, please proceed with your opening remarks. I would encourage you to summarize your remarks so we leave enough time for questions and answers. Your full written statement will be placed in the record.

OPENING STATEMENT BY SECRETARY LEW

Secretary LEW. Thank you, Chairwoman Granger, Ranking Member Lowey, Chairman Rogers, and members of the committee. I appreciate the opportunity to testify today on our proposed budget for our international programs.

As we meet here today, the U.S. economy continues to make considerable progress. By almost every metric, America has come a long way since the depths of the worst recession since the Great Depression. Last year we saw the best year of job growth since the 1990s.

Over the past 5 years, America's businesses have created 12 million new jobs, the longest stretch of sustained private-sector job growth in our Nation's history. At the same time, our economy continues expanding and forecasts project above-trend growth for this year.

American exports set another record last year for goods and services sold overseas, and our fiscal deficit, which has fallen by almost three-quarters, is forecast to decline even further in the next fiscal year. These achievements underscore America's enduring economic strength, and we can build on this progress with the right policies and bipartisan cooperation.

The President's Budget puts forward sensible solutions to keep our progress going, including replacing sequestration by cutting spending and closing tax loopholes. This commonsense plan would continue to rein in the deficit and put the debt on a downward path as a share of the economy.

If Congress does not act, defense and nondefense funding will fall when adjusted for inflation to their lowest levels in a decade. This would damage our national security, and it will keep us from making the investments that we need in key priorities to grow our economy.

But we do not need to follow this course. With the right policies, we can fuel economic growth, job creation, and opportunity while strengthening our national security, driving long-term prosperity.

The international financial institutions, which include the International Monetary Fund and the multilateral development banks (MDBs), are a critical part of this effort. Our investments in these institutions are some of the most cost-effective ways to reinforce economic growth at home and to respond to critical challenges abroad.

To that end, it is essential that Congress pass the IMF quota reforms. These reforms will put the IMF's finances on a more stable footing over the long term, help modernize IMF governance structure, and preserve America's strong influence within the IMF and, more broadly, as a leader of the international financial institutions.

As the international community waits for Congress to approve these reforms that we helped to design, emerging and developed economies alike are looking to other alternatives as a means of driving the global system forward.

Our continued failure to approve the IMF reforms is causing other countries, including some of our allies, to question our commitment to the multilateral institutions that we helped create. Until these reforms are in place, the United States runs the risk of seeing its preeminent role in these institutions eroded, especially as others are establishing new and parallel institutions.

The fact is the IMF reforms will help convince emerging economies to remain anchored in the multilateral system that the United States helped design and continues to lead. These reforms are a win-win for the United States. They retain our veto power and they do not increase our financial commitment. That is why we are determined to continue to work with Congress to get these reforms passed as soon as possible.

As a clear example of the IMF's role in promoting American security and economic interests, the IMF is providing Ukraine with critical financial and technical support. The IMF is a cornerstone of a broad international effort to support Ukraine amid extraordinary circumstances, and it recently approved an augmented longer term program that will allow Ukraine to pursue a sustained set of economic reforms.

Similarly, our investments in the World Bank and the regional development banks are key to advancing America's economic and strategic interests. My full statement that I submitted for the record lays out in detail how the MDBs help grow export markets, increase opportunities for American businesses, create jobs in the United States, and protect our national security.

I would like to highlight quickly a few of the areas where these institutions have recently advanced our priorities.

In Ukraine, the MDBs have stepped in to address the crisis and stabilize the country, increasing their commitments to nearly \$5 billion.

In Central America, they are working to spur stronger economic growth, which will help address the root causes of the flow of migrant children to our border.

In Africa, they have taken a significant number of steps to fight the spread of Ebola and strengthen health systems.

To be sure, the MDBs are essential to global stability. Whether it is fostering inclusive economic growth, promoting food security or increasing natural disaster preparedness, they are making a difference. It is no surprise that, throughout our Nation's history, both Democratic and Republican Presidents have made it a priority to invest in these institutions.

As you can see from our budget request, we are using what we have learned from the MDBs and specialized funds to launch a well-designed and cost-effective Green Climate Fund. This fund will enable the poorest countries to build resilience and will help cut carbon pollution globally, advancing some of our vital security and development objectives.

In closing, let me say that the world is looking to the United States for leadership and it is essential as ever for the United States to demonstrate that leadership across all of the international financial institutions.

This will, of course, require bipartisan cooperation. I look forward to working with all of you in this committee to make that happen. Thank you, and I look forward to answering your questions.

MS. GRANGER. Thank you very much.

**Testimony of Secretary Lew before the House Committee on Appropriations Subcommittee
on State, Foreign Operations, and Related Programs on the Fiscal Year 2016 Treasury
International Programs Budget Request**
3/18/2015

Chairwoman Granger, Ranking Member Lowey, and Members of the subcommittee, thank you for the opportunity to discuss the President's Fiscal Year 2016 Budget Request for the Department of the Treasury's International Programs.

The President's Budget invests in the American people and our country by promoting inclusive economic growth, increasing job creation, and expanding opportunity. The U.S. economy continues to make considerable progress. By almost every metric, America has come a long way since the depths of the worst recession since the Great Depression. Last year, we saw the best year of job growth since the 1990s, and over the past five years, America's businesses have created 12 million new jobs — the longest stretch of sustained private sector job growth in our nation's history.

Our economy grew by 2.4 percent last year, and private sector forecasters expect the economy will grow roughly 3 percent this year, while the International Monetary Fund recently revised its U.S. growth estimate higher, expecting 3.4 percent growth in 2016. We continue to outperform our trading partners, many of which are still struggling to recover from the global economic crisis. American exports set another record last year for goods and services sold overseas. And our fiscal deficit, which has fallen by almost three-quarters, is forecast to decline even further in the next fiscal year. While our economic recovery is well established, we have more to do to build on this momentum and make sure every American who works hard has a chance to get ahead.

The President's Budget puts forward sensible solutions to keep our progress going — and one of the pillars of his approach is a responsible alternative to the automatic, across-the-board spending cuts known as sequestration. The President would replace sequestration by cutting spending and closing tax loopholes. This commonsense plan would continue to rein in the deficit and put the debt on a downward path as a share of the economy.

Of course, at the end of 2013, policymakers came together on a bipartisan basis to reverse a portion of sequestration and pay for higher discretionary funding levels with long-term reforms. This bipartisan agreement allowed us to make critical investments in areas like research and manufacturing and to maintain a strong military, which is essential to our national security.

Still, nothing has been done to alleviate sequestration in 2016. If Congress does not act, defense and non-defense funding will fall, when adjusted for inflation, to their lowest levels in a decade. As the Joint Chiefs and others have outlined, that would damage our national security, ultimately resulting in a military that is too small and equipment that is too old to fully implement the defense strategy. Failure to act would also damage our economy and keep us from making needed investments in key priorities, including education, infrastructure, and international financial stability. But we do not have to follow this course. With the right policies, we can fuel

economic growth, job creation, and opportunity – while strengthening our national security and driving long term prosperity. The President’s Budget is a blueprint for getting this done.

The international financial institutions — the International Monetary Fund (IMF) and multilateral development banks (MDBs), including related multilateral trust funds — are a critical part of the President’s approach to bolstering national security and driving long term prosperity. Our investments in these institutions promote our strategic interests and international stability. They help unlock the next generation of export markets for America’s businesses and workers, while fostering private sector development and entrepreneurship.

That is why our FY 2016 request of \$2.9 billion is so important. These investments are some of the most cost-effective ways to reinforce economic growth at home and respond to critical challenges abroad, like financial instability, poverty, environmental degradation, and food insecurity. Contributions from other donors and internal resources can further leverage MDB investments. For example, the World Bank’s International Development Association (IDA) provides a cost-effective means to support the world’s poorest countries; every \$1 contribution from the United States leverages almost \$13.

The IMF Quota Reforms and U.S. Influence

Critically, we are seeking Congressional approval of the IMF quota and governance reforms.

A well-resourced and effective IMF is indispensable to achieving our economic and national security interests, protecting the health of the U.S. economy, and enhancing the prosperity of America’s workers. As the largest shareholder in the IMF and the only country with veto power over major IMF decisions, we have a great deal of influence within this critical institution. The proposed reforms will put the IMF’s finances on more stable footing over the long-term, help modernize the IMF’s governance structure, and preserve America’s strong leadership role in shaping the institution.

The Administration has included the required legislation in our Budget Request, and we are prepared to work with Congress to secure passage of these critical reforms as soon as possible. Specifically, the legislation increases the U.S. quota in the IMF and simultaneously reduces, by an equal amount, U.S. participation in the IMF’s New Arrangements to Borrow (NAB). The legislation also includes an amendment to the IMF’s Articles of Agreement that facilitates changes in the composition of the IMF Executive Board but preserves U.S. influence on the Board.

Our continued failure to approve the IMF quota and governance reforms is causing other countries, including some of our allies, to question our commitment to the IMF and the other multilateral institutions that we worked to create and that advance important U.S. and global economic and security interests. Our international credibility and influence are being threatened.

As emerging economies have grown, they have gained greater voice in global economic policy. It is important that we recognize this enhanced role in multilateral institutions such as the IMF and encourage their commitment even as we maintain our leadership and veto position.

Implementation of the 2010 reforms is critical to reinforcing the central position of the IMF, especially as others are establishing new and parallel financial institutions. The IMF reforms will help convince emerging economies to remain anchored in the multilateral system that the United States helped design and continues to lead.

The U.S. is constantly pushing to accomplish important policy objectives through the IMF – from supporting Ukraine’s financing needs to providing debt relief for countries affected by Ebola. But, because Congress has not yet enacted reform legislation, our leadership in the IMF is being undermined. For instance, the IMF has sought to bolster its precautionary resources by securing bilateral borrowing agreements with China, Germany, Korea, and others.

To preserve our leadership role at the IMF, it is essential that these reforms be approved. The alternative will be a loss of U.S. influence and our ability to shape international norms and practices that ensure an open, resilient global economy. A more closed international financial system hurts U.S. workers and companies.

Let me be very clear: These reforms do not increase the current U.S. financial commitment to the IMF. Instead, they change the composition, but not the level, of our financial commitment. The U.S. quota increase will be matched by an equal and permanent reduction in U.S. financial participation in the NAB. We look forward to working with Congress on approaches to get legislation passed as soon as possible.

The IMF supports the U.S. Economy and National Security

The IMF supports U.S. jobs, exports, and financial markets. When foreign economies are in crisis, they import less from U.S. businesses, they invest less in the United States, and they can damage our financial markets, hurting the value of 401Ks and other savings and retirement investments for Americans. U.S. exports accounted for roughly 13 percent of U.S. gross domestic product in 2014, and American export industries supported nearly 12 million jobs. IMF surveillance helps prevent crises and its role as first responder reduces the severity and duration of crises.

The IMF continues to play a role in the resolution of the euro area crisis, and is providing critical technical and financial support to countries in Eastern Europe, including Ukraine, which are undertaking reforms to build secure economic foundations and achieve prosperity for their relatively new democracies. Without IMF policy advice to European countries in crisis, the spillover effects from Europe’s economic problems on the United States in terms of lost growth and lost jobs would have been far worse.

While the IMF was critical in helping Europe to avoid an economic meltdown, the Europeans provided the lion’s share of the financing and bore the brunt of the financial risk. Moreover, the IMF’s investments in Europe are proving effective, as Ireland and Portugal have emerged from crisis and are making early repayments to the IMF. IMF support for Greece helped avoid

contagion throughout the Eurozone and the global economy, which would have harmed the American economy. The IMF continues to engage closely with Greece as it continues to strive to reform its economy to ensure lasting stability and long-term growth.

The IMF also supports nations in the Middle East and Africa that are threatened by extremism and undergoing challenging political transitions. IMF programs in Jordan, Tunisia, and Morocco in the last few years have helped transition countries prevent economic crises which could erode the political environment to the detriment of U.S. interests.

As a clear example of the IMF's role in promoting American security and economic interests, the IMF is providing Ukraine with critical financial and technical support to restore macroeconomic stability, strengthen economic governance and transparency, and lay the foundation for robust and balanced economic growth. The IMF is the cornerstone of a broader international effort to support Ukraine amid extraordinary circumstances, and recently approved an augmented, longer program that allows for a more comprehensive and sustained set of economic reforms. No other entity could provide this level of financing and essential policy advice to enable Ukraine to make a decisive break from the past and unleash its economic potential.

Economic development is also critical for political stability. The IMF works alongside other development institutions in fragile states to combat economic stagnation and instability. With strong U.S. diplomatic support and without costs to the U.S., the IMF has significantly increased its support for low-income countries, including through interest rate relief on its concessional loans and helping protect health and education spending. U.S. leadership in 2014 was crucial in the IMF's extension of interest rate relief for low income countries for two more years.

The IMF is also helping to combat the Ebola outbreak. In late 2014, we called on the IMF to provide partial debt relief to the three African nations hardest hit by the Ebola epidemic. In response, the IMF committed to use internal resources that do not involve costs to the U.S. to provide new concessional loans, grants, and debt relief to these countries.

Safety of Our Participation in the IMF

The assets that the United States places with the IMF are part of the U.S. international reserves and account for less than 20 percent of the IMF's total quota and NAB resources. U.S. transactions with the IMF are exchanges of equivalent monetary assets, which do not result in net budgetary outlays. When the United States provides resources to the IMF, the United States simultaneously receives an equal, offsetting claim in the form of an increase in the U.S. reserve position in the IMF. The U.S. reserve position in the IMF is an interest-bearing and liquid asset, held as part of U.S. international reserves and available to the United States on demand.

The IMF is a safe and smart investment for the United States. Every dollar of our participation leverages four more from other member countries. The IMF has a rock solid balance sheet, including reserves and gold holdings that exceed total IMF credit outstanding. In addition, the IMF is recognized by its entire membership as the preferred creditor, with the unique ability to set conditions to assure repayment. The IMF has never defaulted on any U.S. reserve claims on the IMF since its inception 70 years ago.

Multilateral Development Banks (MDBs) Promote National Security, Economic Growth, and Poverty Reduction

Our investments in the MDBs, including the World Bank and the regional development banks, promote national security, economic growth, and poverty reduction. The MDBs finance investments in developing and emerging economies, including in infrastructure, health, education, governance, and business climate reform. This support fosters private sector development, and opens new markets for U.S. exports, boosting American jobs.

In addition to meeting our current MDB commitments, it is urgent that we address the over \$1.5 billion in prior unmet commitments – levels that raise significant questions about U.S. credibility and leadership in the multilateral system. Failure to meet our commitments to the MDBs can also result in a loss of U.S. shareholding, at a time when new players are challenging U.S. leadership in the multilateral system. This is also a time when we are asking the MDBs to do more to assist efforts in Ukraine, contribute to the Ebola response, finance projects for the President’s Power Africa initiative, and address many of the causes and effects of migration in Central America. It is vital that we demonstrate our confidence in the MDBs through payments toward unmet commitments.

Of the \$280 million we are requesting for this purpose, \$13 million would go to the World Bank, African Development Bank, and Asian Development Bank to prevent a loss of shareholding under the general capital increases. \$142 million would pay down unmet commitments to replenishments of MDB concessional windows, as well as environmental and food security facilities. \$125 million would go toward our unmet commitments to the Multilateral Debt Relief Initiative (MDRI). The United States was the leading advocate for the creation of MDRI and has received considerable praise for that effort. This good will could be lost if we fail to pay our share of its cost.

The MDBs are vital partners in containing national security threats by providing emergency economic support and helping to alleviate poverty and spur broad-based, private sector-led economic growth. For example, since April 2014, the MDBs have increased their total combined annual commitments to Ukraine to nearly \$5 billion. This assistance has included emergency economic support, banking sector stabilization, improvements in energy security and efficiency, and support for social safety net reform. The World Bank and the Inter-American Development Bank have taken a leading role in helping El Salvador, Guatemala, and Honduras implement reforms to spur economic growth, which will help address the root causes of the flow of migrant children to our border.

The World Bank’s IDA, African Development Fund, and Asian Development Fund all focus on fragile states, where nearly 1.5 billion poor people live, many in extreme deprivation. In these difficult environments, the MDBs have the resources and expertise needed to help improve the lives of millions of people and give them a stake in stability. The assistance that IDA and the African Development Fund have provided to Guinea, Liberia, and Sierra Leone to respond to the Ebola crisis is especially notable — providing more than \$700 million to the affected countries for emergency health response, economic stabilization, and strengthening health systems for the

long term. Continued support from the MDBs will be a critical part of preventing and improving the response to future pandemics.

In addition, the MDBs complement and amplify U.S. bilateral assistance. We have secured strong support from the World Bank and the African Development Bank for President Obama's Power Africa Initiative, which aims to bring an additional 30,000 megawatts of power generation capacity to Africa and increase access to electricity for at least 60 million new households and businesses connections in sub-Saharan Africa. These institutions play indispensable roles, deploying their technical expertise to engage with governments to promote difficult, yet crucial, reforms necessary to encourage private sector investment in Africa's energy sector, and providing financing for electrification infrastructure projects. The World Bank will support Power Africa by committing \$5 billion in new technical and financial support, including loans and guarantees to support energy projects in the six initial Power Africa focus countries. This commitment builds on the World Bank's existing \$3.3 billion commitment in the six initial focus countries and its broader commitment to developing the energy sector in sub-Saharan Africa. The African Development Bank has also announced its support to advance Power Africa as an anchor partner, with an initial commitment of \$3 billion. In addition, Power Africa countries are also eligible to access resources from the World Bank-administered Climate Investment Funds for utility-scale renewable energy projects.

As we continue to protect our economic recovery, increase exports, and create jobs at home, support for the MDBs remains as critical as ever. The MDBs' assistance and technical know-how has nurtured the economic reforms, infrastructure, and social investments that have driven the growth of some of our largest trade partners, such as India, Brazil, and Turkey. This assistance and know-how are also important for laying the groundwork for the next generation of strong U.S. export markets, like Indonesia, Vietnam, and Colombia. These three emerging markets, which accounted for \$8 billion of U.S. goods exports in 2000, account for \$31 billion today — a four-fold increase. Our continued support for the MDBs signals our commitment to supporting significant economic growth like this in emerging and developing countries through the multilateral system.

MDB assistance and technical know-how also play an important role in making economic growth in emerging and developing countries more sustainable, inclusive, and transparent. For example, all of the MDBs have policies in place that are designed to avoid and mitigate the potential negative environmental and social impacts of their lending. These safeguards apply directly to MDB assistance, but may also positively influence the environmental and social policies of borrowing governments. This standard-setting role allows the MDBs to have impacts well beyond the scope of their direct lending.

For this reason, we are focused on the World Bank's ongoing safeguards review. This review will result in revised policies that will govern World Bank lending for years to come. We are working closely with World Bank management, other shareholders, and civil society to secure revised safeguards that will strengthen the protection provided by these policies, improve their implementation, and influence the domestic policies of borrowing governments. The stakes of this review are particularly high — at a time when new institutions are emerging that may have weaker commitments to social and environmental standards, when the World Bank is increasing

its lending in high-risk sectors such as infrastructure, and when the World Bank itself has admitted weaknesses in the implementation of its existing policies in areas such as involuntary resettlement.

Furthermore, the ultimate success of the MDBs' activities depends on designing programs around a strong base of evidence about what works and what does not. The MDBs must also be willing to make mid-course corrections when projects need improvements to be effective successful. Treasury is pressing the MDBs to do more to build this required culture of learning and accountability. This includes an increased emphasis on building the capacities of each MDB's independent evaluation unit; conducting more in-depth evaluations, especially for high-risk projects; and holding staff accountable for incorporating evaluation findings into project design.

The MDBs also help foster a more level playing field for firms competing for MDB business opportunities by requiring the use of fair and transparent procurement rules. We are engaging closely on reviews of the World Bank's and African Development Bank's procurement policies to promote changes that level the playing field for U.S. workers and businesses even further.

Finally, I would like to highlight a new five-year commitment to one MDB that promotes our economic and security goals closer to home — \$45 million a year for the North American Development Bank (NADBank), which finances projects on *both* sides of the U.S.-Mexico border. The NADBank has become an important financier of environmental infrastructure, renewable energy, and municipal services, such as wastewater treatment and waste management, helping create jobs in the border region. We are seeking to bolster the NADBank's financial resources so that it can expand on this important work.

Addressing Complex Global Challenges

When it comes to global challenges such as the environment, food insecurity, and gender imbalances, the world continues to rely on multilateral institutions and strong U.S. leadership within them to help developing countries make concrete investments to meet these challenges. U.S. support for specialized multilateral funds leverages resources from other donor countries and the private sector, multiplying the impact of American taxpayer dollars. In FY 2016, we are requesting \$171 million for the Clean Technology Fund (CTF) and \$60 million for the Strategic Climate Fund (SCF), which will complete our pledge to these funds.

As of September 2014 the CTF and SCF had approved \$5 billion in projects, which has attracted significant additional funding. In fact, for every \$1 the United States has contributed, these programs are expected to mobilize nearly \$19 in co-financing from the private sector, host governments, and other non-MDB sources. The SCF has three important programs promoting investments in resilience to environmental impacts, reducing deforestation, and helping low-income countries increase access to renewable energy resources. These programs are making a difference on the ground. As of June 2014, the CTF investments have resulted in 2.3 gigawatts of renewable energy being brought into service, with an additional 15.5 gigawatts of capacity under construction.

In addition to deploying clean energy, the environmental trust funds reach poor people in urban slums, rural villages, and small cities around the world. These funds enable vulnerable communities to battle a wide range of threats, from extreme weather events that affect food production to wildlife trafficking and toxic chemicals.

In particular, the Global Environment Facility (GEF) – for which we are requesting \$168 million – helps countries safely dispose of dangerous chemicals that can damage human health and contaminate global food and water supplies. By protecting the environment — including preserving the ozone layer, protecting fisheries, and reducing mercury pollution that can contaminate our food supply — the GEF delivers benefits to the United States and global community. For every dollar that the U.S. has contributed, GEF projects have mobilized \$20 from host country governments and private sector entities.

This year we are also requesting \$150 million toward the first installment of the U.S. pledge to the new Green Climate Fund (GCF). The State Department has requested \$350 million this year, for a total FY 2016 request of \$500 million. As you know, this is part of a \$3 billion pledge the President made to the GCF, not to exceed 30 percent of total signed contribution agreements. The GCF is designed to be a key element of the global, collective efforts to build resilience and reduce carbon pollution. The GCF will make a significant difference by enabling developing countries to invest in those goals and transition to a more sustainable development path. The GCF also fosters trust and goodwill, so that developing countries increase their ambition for sustainability and mitigation commitments in their national planning. The GCF builds on the Bush Administration's \$2 billion pledge to the Climate Investment Funds and has a strong focus on mobilizing private sector resources. We are committed to working with Congress on this request, which is a high priority for the Administration.

The United States has been a leader in the fight against global hunger and poverty through the President's Feed the Future initiative. The Global Agriculture and Food Security Program (GAFSP) and the International Fund for Agricultural Development (IFAD) are key multilateral components of food security.

GAFSP focuses on helping smallholder farmers in some of the world's poorest countries to improve their agricultural productivity and markets and earn higher incomes. Grants to governments are awarded on the basis of a transparent, competitive selection process involving independent technical experts. GAFSP also invests in private entities, with each dollar leveraging ten times that amount in additional private financing. Even though it is a relatively new fund, GAFSP is already seeing positive results. As of December 2014, GAFSP-funded projects have directly reached more than one million farmers, a 37 percent increase over end-2013. We are seeking \$43 million that would be matched by \$86 million from other donors under our challenge campaign, which pledged \$1 for every \$2 from other donors.

IFAD is a 38-year old institution dedicated to alleviating rural poverty in a broad range of developing countries. IFAD helps increase the productivity of smallholder farmers, improving nutritional outcomes, and expanding access to rural employment and marketing opportunities. External evaluations have consistently rated IFAD as a good value for money. It is a leader in assessing the impact of its programs on a gender-specific basis and ensuring that women are

direct beneficiaries; on average, women represent 50 percent of project beneficiaries. In the FY 2016 Budget, we are requesting \$32 million, which consists of \$30 million for the first of three installments for IFAD's tenth replenishment and \$2 million to clear a portion of our unmet commitments.

Successful development also depends on good governance and a well-functioning state. For the last 20 years, Treasury's Office of Technical Assistance (OTA) has provided advice and training to government officials in developing countries so they can build effective public financial institutions. OTA helps countries improve government operations across several areas, including planning and executing budgets, managing debt, collecting revenue, developing sound banking systems, and combating corruption. Our request reflects a strong and increasing demand for OTA assistance to support U.S. foreign policy, security and economic priorities in Central America, Africa, Asia, Ukraine, and other regions. As demand for assistance has increased in recent years, funding for OTA through its direct appropriation account has declined from \$27 million in 2012 to less than \$24 million in 2015. Our request aims to restore prior levels of funding for OTA and allows for a modest increase to support the expansion of OTA's work in priority areas. These areas include infrastructure finance and domestic resource mobilization, which helps partner countries generate revenue and manage their resources more effectively, thereby reducing their dependence on foreign aid.

Conclusion

U.S. leadership in international financial institutions enables us to influence how and where resources are deployed — often on a scale that we cannot achieve through our bilateral programs alone. However, bipartisan support is required to ensure that influence remains as strong today as it has been over the past several decades.

It is important that Congress acts to approve IMF quota and governance reform so that we can continue to safeguard our leadership in these essential institutions. Approving these reforms puts us in a stronger position to influence IMF decision-making on a host of issues critical to our economic and national security. Since the creation of the IMF after World War II, successive U.S. administrations and Congresses have supported our participation in this institution. In fact, five of the eight quota increases in the IMF's history took place under Republican Presidents. Unfortunately, at the moment, our ability to influence decisions is diminished by the fact that other IMF members think that the United States is retreating from our leadership role at the IMF.

Similarly, meeting our commitments to the MDBs is a cornerstone of U.S. credibility and leadership. The partnership we have with the MDBs has endured across parties because these institutions have continually provided a significant return for the United States. They allow us to promote national security, economic growth, and poverty reduction. No other institutions so effectively leverage our limited resources in service of our national and global interests.

I look forward to working with you on these critical issues and welcome your questions.

Ms. GRANGER. In May of last year, Ukraine issued 1 billion dollars of new debt on the international capital markets, backed by the United States. It is my understanding that the proceeds are providing support for ongoing reforms and development in Ukraine.

The President's request for fiscal year 2015 includes another \$1-billion loan guarantee, but the funding request for \$275 million to subsidize that loan guarantee is not consistent with OMB's most recent analysis of the appropriated funds required.

Could you explain the funding needed and requested for a loan guarantee in fiscal year 2016.

Secretary LEW. Madam Chairwoman, let me start with the policy and then come to the scoring. We have played an essential role in putting together a global response to the economic crisis in Ukraine.

There is no question that Ukraine has a lot of economic challenges apart from the security situation. They need to have enormous reforms. They now finally have a government that is taking those reforms seriously, and our support and the support through the IMF is part of what enables them to do that.

I think it is essential that Ukraine have the economic runway so that it can have the time to put those reforms in place. Frankly, while the security situation has to be settled down, if the economic situation isn't resolved, that will become something that is just an existential threat as well. So it is critical to Ukraine to get its economic house in order.

We provided a billion dollars of loan guarantees last year as a part of a global effort, including the IMF support I described, including bilateral contributions from other countries and from the European group, and it is being used to support the economic reforms.

We specifically designed our support last year so that as they reform their energy pricing system, there will be the ability to insulate the lowest income households, for example, from some of the burden. Because if they did not have the ability to make the impact on the most vulnerable of economic reforms manageable, the ability to carry out the reforms would have been jeopardized.

The cost of the loan guarantees does not get frozen for all time. It is a reflection of what is going on at the time the scoring is done. So, as I think you know, the risk in Ukraine has been rising because of the geopolitical situation.

As we have moved through from the first loan guarantee to the latest request, the cost of scoring has changed and gotten more costly because it is higher risk. We adjusted to that in realtime last year.

We would look forward to working with you to continue to adjust to it, but we have always used the current scoring at the time we have made our proposal as the basis for estimating the cost.

Ms. GRANGER. I understand what you just said. I also have another concern, and that is when will the additional loan guarantee we authorized in December be obligated.

It has been 3 months now, I just returned from Ukraine, and time is of the essence. Can you explain when it will happen.

Secretary LEW. I was in Ukraine myself a few weeks ago and at the time, signed an initial memorandum of understanding that launched the process of getting the details worked out.

I met just the other day here in Washington with the finance minister of Ukraine, who is a real reformer and moving—

Ms. GRANGER. I met with her yesterday.

Secretary LEW. Yes, she is driving the reform agenda very hard. We agreed that our teams would continue to work as quickly as possible to finalize the terms.

Obviously our loan guarantees, as is the support of the IMF, has been conditional on the Government of Ukraine taking certain actions. I am pleased to say that last week the Government of Ukraine enacted the critical reforms that were necessary for the IMF to approve their package, which also frees us to move forward.

I am hopeful that we will be able to work very quickly with them and put in place a financing. I agree with you, time is of the essence.

In addition to the USAID, we work very closely with the IMF to try and make sure that the structure of the IMF package provided enough up-front support to provide Ukraine the ability to get through this very difficult period.

Ms. GRANGER. Good. I think everything we can do to help them will certainly be appropriate.

Mrs. Lowey.

Mrs. LOWEY. Thank you, Madam Chair.

While the Supreme Leader of Iran has said—and I quote—“I will go along with any agreement that could be made, of course, if it is not a bad deal,” we have every reason to question Iran’s real intentions, given their track record. This is, of course, the same Supreme Leader who repeatedly refers to Israel as the “barbaric” Jewish state that “has no cure but to be annihilated.”

I am very concerned by reports of various European commercial delegations traveling to Tehran in eager anticipation of sanction relief in the prospect of doing business with Iran.

Have we weakened the resolve of the world community by providing sanctions relief in the interim deal?

Secondly, the administration has pledged to continue to strictly enforce existing sanctions in Iran, other than those relaxed under the interim deal. Yet, I understand that Iran’s oil exports are being offered from UAE trading firms acting as middlemen.

What is the current status of overall Iranian oil exports? Are we talking to China and India, both of whom are reportedly increasing their imports from Iran this year? If these trends continue, is the administration going to sanction these countries? Specifically, what are the exports to China, India, and Turkey? And will you be making available publicly the Department’s country-by-country estimates on Iranian oil imports?

Thank you.

Secretary LEW. Congresswoman Lowey, let me start with the first part of your question on the Joint Plan of Action and its aftermath.

I think we all remember that, before the Joint Plan of Action went into effect, there were a lot of critics saying that it was going to provide massive relief from the sanctions.

We said that was wrong. We said, at the time, that it was very enumerated relief. We could say very much to the dollar how much relief it would be, and that is the relief that Iran has gotten.

It is single-digit billions of dollars of relief at a time when there is tens of billions of dollars of additional burden being placed on Iran because of the existing sanctions that were not part of the Joint Plan of Action.

So over this period of time of the Joint Plan of Action, the actual pressure on Iran has gone up, not down. I think that is a very important point because we kept the oil and the financial sanctions in place and we essentially provided Iran limited access to enumerated amounts of its own money—not our money—and, in exchange, we got for the first time in over a decade a commitment for Iran to not just slow down, but actually take a step back on its nuclear program. We also put in place an inspection regime where we can actually see what they are doing.

So I think what we have seen over the year, year and a half, almost, that the Joint Plan of Action has been in effect, we have had the first period of time in recent history where we have actually arrested the development of Iran's nuclear program and seen it deteriorate.

I have read a lot and seen a lot of accounts of businesses going to see whether there is a future to do business in Iran. The message we have delivered very clearly around the world is, "Iran is not open for business, and anyone who does business with Iran—until and unless there is an agreement which prevents Iran from having nuclear weapons which leads us to lift the financial and the oil sanctions—doing business with Iran is at your own risk because we are enforcing the sanctions, and we will continue to enforce the sanctions."

There have been reports—oil exports country by country fluctuate on a month-to-month basis. I would be happy to get back to you with a more detailed response.

We have been working very closely with all of the countries that have been cooperating with the—and part of the sanctions on Iran. While there have been numerous times when I have heard the burden it is putting on other countries, I have also heard that they understand clearly that they know that we will enforce our sanctions and they do not want to get caught in sanctions enforcement.

I do not think that, if you look at the condition of Iran's economy today versus before the Joint Plan of Action, they have seen any big dramatic turnaround. They have seen a slight slowing of the rate of inflation and slide of the economy, but they are in a deep hole that they will not get out of unless they reach an agreement that we find acceptable to assure us that they will not have nuclear weapons.

We are not there. The negotiators are still working, as the President has said many times. At best, it is 50/50. We would be in a safer world if we have an agreement that is, clear, that will prevent Iran from having nuclear weapons. But until we are there, our sanctions regime stays in place.

As the President has said on many occasions and as I have said on many occasions, no options will be taken off the table if it fails. We will continue to implement sanctions, we will come back, if

need be, with tougher sanctions, and no options have been taken off the table.

Mrs. LOWEY. I will let it go at this point. Thank you very much.

Ms. GRANGER. Chairman Rogers.

Mr. ROGERS. Mr. Secretary, as I said in my opening statement, the administration has not been shy about its utter disdain for an energy source that has kept the lights on in U.S. homes since the 1740s.

The EPA's regulations, which are constitutionally dubious, have brought coal mining to a screeching halt and coal-fired power plants to their knees.

Aside from the devastating effect to the mining families who rely on this industry for their livelihoods, we are going to see electric prices skyrocket for families and businesses in this country, and now the administration wants the same fate for families and businesses in the developing world.

In 2013, your Department issued new guidance to vote against World Bank financing for coal-fired power plants unless the project employs carbon capture or sequestration technology. And later the Export-Import Bank announced similar new rules to deny financing for coal-fired power plants. In essence, you have said we can't mine coal, we can't burn coal, and now we are going to eliminate the international markets to export coal.

As you know, carbon capture and sequestration technology, while promising, is not yet a reality, with commercial deployment not even expected in the U.S. for several years, to say nothing of poor countries in the developing world, at the same time as the administration is setting stringent regulations for greenhouse gas emissions domestically and abroad. The Energy Department is consistently slashing the fossil energy research and development budget to make this technology a reality.

How do you reconcile that dichotomy, imposing that CCS structure on developing countries, but refusing to support the research necessary to get that technology off the ground?

Secretary LEW. Mr. Chairman, I know that we have different views on coal policy. But I think you have to look at how our coal policy fits in domestically and internationally.

We are very much of the view that we in the United States have to develop our energy resources. I think we have shown, over the course of the last 6 years, great success in developing our energy resources.

Internationally, our view has been that getting power into the poorest countries is critically important, and we have promoted a range of alternative fuels, both in terms of the less-polluting traditional fuels and renewable energy sources including hydroelectric power.

I think the policy we have had on coal distinguishes between the poorest of countries. In the poorest of countries, we have the exception that, if it is the only available power source, it is not treated the same as in other countries.

I do not think there is any way to distinguish between the environmental impact of carbon emissions in one part of the world from another. Our planet is one system, and it is not that we are trying to apply rules internationally that are exactly the same as the

rules here. We would not have the exception for the poorest countries, if we did.

On the other hand, we know that as those countries adapt to meet the needs of their growing populations and their growing economies, they are going to need to develop sources that do not add, in a dangerous way, to the accumulation of carbon emissions. That is what our policies are designed to accomplish.

Mr. ROGERS. World energy demand continues to rise with 90 percent of increased energy demand driven by the needs of developing countries. China and India alone will account for over 50 percent of the total increase between now and 2030, and these countries together account for 9 percent and 5 percent of U.S. coal exports, respectively.

How do you expect to meet that demand if coal is not a part of the equation as a low-cost option?

Secretary LEW. I think China and India are very important countries to work with. The President has worked with China. We have reached an agreement with President Xi on reaching goals that will help advance the reduction of carbon emissions. We continue to promote similar discussions in India, and they have committed to substantial commitment in other energy resources.

But I think the fundamental point is that the growth in consumption, growth in population, and growth in the economies in the emerging markets, is going to be a big part of where the additional power generation of the future comes.

They are going to need to adapt, and we, as a global community, as a world community, are going to need to help find alternatives that are sustainable, which is why we are working so hard with them like the Power Africa initiative is part of that. But the development of renewable energy sources in countries like China has been such a high priority.

Mr. ROGERS. I think this could be a self-defeating policy as developing countries will simply turn to other countries with lower environmental standards to finance the plants that they are going to have to build.

Do you think China or India will step up to the plate to finance these projects in Southeast Asia and Africa? Is that the administration's stated preference?

Secretary LEW. Our preference, obviously, is that we promote the view that it should be a position taken by the international community, which is why we have taken the positions that we have in the international financial institutions.

I cannot disagree that there will be other sources of funding available for some continued projects, but our goal is to shift the focus of future development into areas that address the problems that we face globally in terms of carbon emissions. The solution is not for us to just proceed in a business-as-usual way.

As I mentioned earlier, we do have the exception for the poorest of countries, recognizing that there are some countries that have no alternative and there they should use the cleanest technologies available.

Mr. ROGERS. Mr. Secretary, I don't think you and I are going to agree on much on this topic.

Secretary LEW. I did not think so.

Mr. ROGERS. But I thank you for your testimony.

Thank you.

Ms. GRANGER. Mr. Serrano.

Mr. SERRANO. Thank you.

Secretary, you seem to show up at all the committees I belong to, and that is a good thing.

Let me ask you a question. Last week the United Kingdom decided to join the Chinese-led Asian Infrastructure Investment Bank. Yesterday France, Germany, and Italy agreed to join the bank as well.

What are your views on this bank? Do you think that China is seeking to enhance its power in the Asia-Pacific region at a time when our Nation is trying to strengthen its military and economic presence in the same region?

Secretary LEW. Congressman, let me start with what the goal of the bank is, to fund infrastructure in Asia. It is an important objective. It is one that we share. There is a huge need for infrastructure in many parts of the world, in Asia, in Africa, even here in the United States. So we do not disagree on the objective of having a mechanism to fund infrastructure.

The concerns I have raised over the Asia Infrastructure Bank are that it is not yet clear what the governance structure of that institution will be and a concern that it not compete with the high-standard institutions that have been developed over the last 70 years, which promote very important standards in terms of labor protection, environmental protection, anticorruption efforts, and debt sustainability.

The point that we have made, both directly in our conversations with China and in conversations with other countries that were considering their participation, is that those issues really need to be resolved and addressed as countries make the decision whether or not to participate. We will continue to engage with countries around the world to make sure that, both in bilateral and multilateral efforts, these kinds of standards are an important part of the institution.

I would say that the conversation that we had earlier about the IMF, some of the back-and-forth, the importance of the Congress ratifying the IMF reforms is very significant. There is a lot of concern in developed and developing countries that the failure to ratify the IMF reforms in the United States, the last country to act, reflects our stepping away from those institutions and stepping away from the leadership role that we have traditionally played.

That is a very dangerous thing strategically and I think it is a mistake. The reforms are well structured to preserve the U.S. position in the IMF, and I think the congressional action to approve the IMF reforms would very much increase the leverage we have to have these kinds of conversations with other countries.

Mr. SERRANO. It is interesting because you answered my second question at the same time.

So my third question would be: Do you feel there is a tie-in between, for instance, approving the reforms and your ability or our government's ability to talk to the first question about that Infrastructure Bank and other issues?

Secretary LEW. I must say I spend an inordinate amount of my time, when I meet bilaterally and in multilateral settings, defending our commitment to these organizations and making clear that we are still committed to getting the reforms approved.

Whenever you have to spend your time defending against suspicions like that, it just reduces your ability to do other business and it makes countries start thinking about do they need to develop other alternatives. I do not think that is a good thing for the United States, and I do not think it is a good thing for the world.

That is why I am committed to getting IMF reform done and I remain hopeful that we will be able to do it because it is just critical to our national security.

Mr. SERRANO. Well, thank you.

And I yield back.

Ms. GRANGER. Thank you.

Mr. SERRANO. He answered both questions in one.

Ms. GRANGER. That was good.

Mr. Crenshaw.

Mr. CRENSHAW. Thank you.

And thank you for being here, for your service.

We talk a lot about sanctions in the broad sense. And I just wondered—for instance, some people would say the sanctions we put on Iran brought them to the table. Some people say that, when we ease the sanctions, they are less apt to deal. But I want to talk in a broader sense about sanctions, in general.

How do you decide what kind of sanctions you are going to put in place?

And, for instance, you mentioned you could almost measure to the dollar, in general, about what a sanction might do one way or the other.

I am just curious to know some real-world examples of big sanctions, little sanctions, that we would understand exactly how you go about deciding.

And how do you decide whether they are effective? And how do you decide whether they get outdated? Give us a primer on sanctions.

Secretary LEW. Congressman, let me start with the broadest principle, which is that economic sanctions can create economic pain and economic impact in a country.

We have gotten quite good at designing sanction regimes that can do that to affect the country that you are trying to sanction while reducing, to the extent that it is possible, spillover in areas that you do not want to see the effects felt.

What sanctions can not do is force a leader to change their view, and in the case——

Mr. CRENSHAW. And I appreciate all that.

Give me some real-world——

Secretary LEW. In the Iran case, just to be clear, what I was describing in terms of the ability to enumerate quite precisely, was the relief in the Joint Plan of Action.

Because what we were essentially doing, for the most part, was freeing up access to resources that we had frozen and saying, “You can get X dollars of your money out of it.” That is a little different than imposing sanctions where there is a degree of uncertainty.

But as to Russia——

Mr. CRENSHAW. I am trying to understand just, real world, what—do you sit down and say, “What is the biggest and best sanction we can put on Iran?”

Secretary LEW. Well, obviously, what we have done is we basically cut them off from growth in oil sales and we have cut them off——

Mr. CRENSHAW. And how do you do that?

Secretary LEW. We have put in place limits on how much oil can be exported, sanctions against the violation of that that affect both the importers as well——

Mr. CRENSHAW. And how do you decide——

Secretary LEW [continuing]. They all need to do business through U.S. financial institutions——

Mr. CRENSHAW. Right.

Secretary LEW [continuing]. Which gives us the ability through U.S. financial institutions——

Mr. CRENSHAW. And how—and I am just talking about real world. How does that work out when you decide, okay, you can only export X barrels of oil?

Secretary LEW. Well, we have the ability to tie up funds that the Government of Iran can’t get access to, and we have the ability to sanction countries that engage in transactions that violate the sanctions.

Mr. CRENSHAW. So you will say, “You can’t buy oil from Iran”?

Secretary LEW. Yes.

Mr. CRENSHAW. And if you do, then what happens?

Secretary LEW. Well, the—the——

Mr. CRENSHAW. I am not being argumentative. I am trying—I am really trying to understand how sanctions work. It is all—it is more—when I say we are going to put some sanctions on people——

Secretary LEW. It is hard to give a general answer. You are asking about Iran. In Russia, we did some very different things.

Mr. CRENSHAW. Like what did you do——

Secretary LEW. In Russia——

Mr. CRENSHAW [continuing]. Specifically?

Secretary LEW. In Russia, we did not put sanctions on the whole Russian financial system. We put sanctions on individuals who were decision-makers and close to people in the inner circle to create pressure on——

Mr. CRENSHAW. But, I mean, what kind of sanctions—what do you do to that——

Secretary LEW. They do not——

Mr. CRENSHAW. Well, how do you sanction an oligarch?

Secretary LEW. Well, if your accounts are in the United States and you can not transact business anymore, that impedes your ability to get access to your money and to do new transactions.

For example, in Russia, we said, the financial institutions—we did this in concert with Europe. It was not something we did unilaterally—we were going to limit the ability to roll over debt. Russian companies that were sanctioned could no longer roll over their debt for a year, 2 years or 3 years. They were limited to very short-term rollovers.

Mr. CRENSHAW. Do you do that in terms of the lenders?

Secretary LEW. Yes. Yes. And lenders who violate that would be violating sanctions—

Mr. CRENSHAW. I got you.

Secretary LEW [continuing]. And they do not want to do that.

The reason I was going to say it is a little bit hard to be entirely precise, I think we did an excellent job in Russia targeting the impact where we meant it to be felt.

But we have actually seen the sanctions have greater impact because there was a voluntary action to curtail financial relations because there was a fear that the sanctions would get tougher or a desire to stay very far away from the boundary line.

So it has actually had a slightly bigger impact, and then on top of that, the price of oil came down and a weakened Russian economy took a second hit.

If you look at the design of the Russia sanctions, we were working with our European allies, very much of the view that we wanted, to the extent that we could, limit the spillover into Europe and the global economy. I think we have been successful, to date, limiting that impact.

It also is not our view that the burden should be felt broadly by Russian consumers. It should be felt by those who might be able to effect the decision-making that was taking place. In Iran, it is much more of a blanket set of policies. So there is not just one way to do sanctions.

We have learned a lot over the last 10 years in terms of how to design sanctions more precisely, and they are more highly engineered. I think what we have learned in the last year, in the case of Russia, is that you can have a very significant economic impact without causing as much effect outside of the country as you might otherwise. What we have unfortunately not been able to do is change the decision-making calculus of the leadership in Russia.

In Iran, I think we did change their decision-making to the point that they came to the table. I believe that they came to the table to get relief. I think that the relief in the Joint Plan of Action was just a bit of a taste of what broader sanctions relief would be.

Their top priority in Iran right now is to get their economy moving and have some relief. I think that is the only reason that they are having a serious conversation about foregoing the development of nuclear weapons. We are not there yet. I can not say that it has been ultimately successful. But I do not believe this negotiation would be underway but for sanctions.

I wish I could say that we had made as much progress in the last year with Russia. We shall see.

Mr. CRENSHAW. Thanks so much.

Ms. GRANGER. Thank you.

Mr. Ruppertsberger.

Mr. RUPPERSBERGER. First, I want to talk to you about oil prices in Iran and possibly sanctions. It is a widely held view that the falling of oil prices are putting pressure on Iran and Iran cannot repatriate their oil revenues.

But under the Joint Plan of Action, Iran can withdraw \$700 million a month from foreign-held reserves. And that being said, it seems Iran's economy is largely insulated from the fall in the price

of oil, at least in the near term, and the fall of prices will be insufficient to put new pressure on the Iran regime to accept a good deal.

My question would be: Do you agree with that premise? Could you share your analysis of the real impact of oil prices on the Iran economy.

Secondly, have we seen any indication that oil prices are impacting Iran's decision-making in the ongoing negotiations?

And, finally, given the state of the global energy markets, can countries that are purchasing oil from Iran now find alternative suppliers?

Secretary LEW. There is no question that our sanctions regime puts Iran in such a seriously bad economic position that they do not have access to the revenues that would come from all their oil flows, to begin with. The amount that they do not have access to limits the impact, to some extent, of the decline of oil in the short run.

In the long run, they are an economy that is highly dependent on oil and I think it does weaken them, in terms of what their prospects are. Even in the short term, it has an effect, but it is not dollar for dollar. So I think in Russia it is much more direct.

You know, the challenge in Iran is that in order to maintain their oil industry at peak production level, it is more than access to their money they need, they need access to technology, they need the ability to develop resources.

We have through the sanctions made it harder for them to continue growing their oil capacity. Looking forward, they see sanctions relief as being critical to their economic——

Mr. RUPPERSBERGER. Do you think that is our number one leverage in the negotiations, the sanctions relief, based on their economy?

Secretary LEW. I think their economy is in very bad shape. They still have very high inflation, very high unemployment. They still face a future that is very bleak. The only hope that is now in their economy is that, if there is an agreement, it will get better. That gets dashed pretty quickly if there is not an agreement.

The relief in the Joint Plan of Action gave, as I said, a taste of what relief would mean. But it was just a fraction of the ongoing additional pain that sanctions put on Iran's economy.

In the period of the first year of the JPOA, you know, it was about \$40 billion of additional sanctions impact and roughly \$7 billion of sanctions relief. It was still a great deal of additional pain because the oil and financing sanctions were staying in effect.

They want access to their resources. They want to be able to grow their economy. They are only going to get that if there is an agreement that we can have confidence that it prevents them from having nuclear weapons.

Mr. RUPPERSBERGER. Okay. I yield back.

Ms. GRANGER. Thank you.

Mr. Stewart.

Mr. STEWART. Thank you, Mr. Secretary, for your time. I have some questions, and it is dealing with many—like many of us, on the sanctions. I am going to come to that in a moment.

I have to reinforce what our full committee chairman said about some of his comments and your comments on carbon and his concerns there.

Just very quickly, I will say that someone in the administration is going to have to go to 40 million children in India and China and tell them they will never have health care, they will never have a job, and they will never have an education, because you don't have those things without some source of energy.

And those countries can't build nuclear power plants. They don't have hydro resources. And it concerns me that they would view us as fairly arrogant in taking that position and denying those things when it is beyond their ability to provide them for themselves.

But putting that aside, coming to the Iranian nuclear program and the negotiations there—and I appreciate your comments on this so far—I want to tell you a little bit about my background. I was an Air Force officer and pilot for 14 years, and I had this great honor of working with the START II and START III implementation with the former Soviet Union, as the pilot rep.

Now, I had a very, very small picture of that. I was just a captain at the time, hardly a person of influence, but I did see how that agreement was implemented. And I learned from that, as I have written in editorials in the last few weeks, that if a nation wants to cheat on an agreement, they can.

They can find a way around that, which brings us to the point of you having an extraordinarily powerful and influential position—you and your organization—in our national security, which I don't think many people would recognize, you know, the Department of Treasury and national security, how closely they are tied in this situation.

So let me ask you this. And I want to go through a couple of questions very quickly—because I think you and I will agree on this—and that is, the difficulty of organizing our sanction partners and to come to an agreement to have the current sanctions imposed, would you agree that that was a significant effort, that it took, a degree of political capital, it took quite a long time and that it was a fragile process?

Secretary LEW. Absolutely. One of the things that I think has really been quite profoundly successful both in Iran and in Russia has been our ability to work with the international partners that we have.

Our unilateral sanctions against Iran could not be anywhere near as effective as they are without the cooperation of other countries, and it has required ongoing, continued engagement with them. That is one of the reasons we felt it was so important for us to not do anything that would be perceived as inconsistent with the agreement in the Joint Plan of Action.

Mr. STEWART. And I get that. And I do. And I appreciate that this was a large and an intense effort to come to this degree of success. That these sanctions are fragile, I think we would agree with that.

But in light of that—this is my fear, the good news and bad news. The good news is we got to this point. The bad news is it is very, very difficult to replicate that effort once again.

And, you see, I wonder, how rapidly would the U.S. be able to reverse course if we come to a situation where we feel like our Iranian partners are cheating or they intend to withdraw from this agreement, especially, Mr. Secretary, in light of what you just said, with our partners of Russia and China?

Because I don't think we could replicate this again, especially again with those two partners. And, if we could, it would take a long time. And the outcome is not at all certain.

So can you see why those of us who are concerned about this and—recognize that these sanctions were a great effort, but it is very, very difficult to replicate that? And to just assume that we could turn that around and impose those sanctions again, I don't think that is true at all. I think that is a stretch, to make that assumption.

Secretary LEW. First of all Congressman, these are issues that are still currently being discussed, what kind of sanctions relief should be part of an agreement, if there is an agreement. So, I do not want to prejudge what the outcome is. But I would say that in a world where there was an agreement with Iran, and Iran violated the agreement, we would feel perfectly within our rights to use every tool at our disposal. We have a lot of tools to put back in place, very severe penalties if we need to. Our ability to do that, if we needed to, even unilaterally, would be very widely understood if that violation was there.

Mr. STEWART. I understand that. But I do think—and I think you would agree with me—it is much more difficult after this, especially with China and especially with Russia. Their frame of mind is different now than it was a year ago, I think.

Secretary LEW. What I do not think is different is that the world community agrees that Iran should not have nuclear weapons. That is why there is this very tight engagement, even at a time when there is so much tension between the United States and Russia over Ukraine, tight engagement on working towards an agreement that prevents Iran from getting nuclear weapons.

Mr. STEWART. Well, I certainly appreciate that. You and I agree on that, although, this is a national security and a DOD question, not necessarily in your area of expertise. But, I am afraid that this agreement makes that almost a foregone conclusion that they would rather then preclude him from that. But, again, that is another topic, and I know you would disagree with that conclusion, certainly.

Secretary LEW. Congressman, if I could just go back to the point you made about the children in India.

Mr. STEWART. Yes.

Secretary LEW. I was just in Mumbai and Delhi a few weeks ago, and I have to tell you, I have never seen air pollution like I saw in Mumbai and Delhi. So the children in those cities are right now at risk for the air they are breathing, and I think we have to remember that as well.

Mr. STEWART. I certainly appreciate that, and you can go to Beijing and see it just as bad, as in other places as well. But you can mitigate it. And I do not think that it is an either- or proposition. But thank you, Mr. Secretary.

And madam, I yield back.

Ms. GRANGER. Thank you. We will offer another round of questions.

I am going to ask a question first. In 1993, the NAFTA agreement included a side agreement to create the North American Development Bank, NADBank, to tackle environmental issues on the U.S./Mexico border. NADBank was originally focused on water and waste water problems, but the bank has now moved into renewable energy projects. The budget request includes new funding for the NADBank, and I understand that part of the increase is because NADBank's ability to borrow on the capital markets is limited because of a downgrade by Moody's and other credit-rating agencies.

First, I hope you can explain to Members why the NADBank was downgraded; second, how much of this downgrade was due to NADBank's shift to finance renewable energy projects; and finally, will the authorization language that is needed to recapitalize the NADBank require a change to the NAFTA treaty?

Secretary LEW. Chairwoman Granger, my understanding of the downgrade is that there was a technical change in some of the credit-scoring rules, and it was not a reflection of a change in policy. So, I am not actually aware of it being due to any change of activity, but I am happy to check and get back.

Going back to the origins of NADBank, I think it reflects the close relationship the United States and Mexico have, that we undertake infrastructure projects on both sides of our borders. We pay for projects on the U.S. side, they pay for projects on the Mexican side. It is in the interest of the region in the United States and in Mexico, and it is a source of ongoing encouragement to the free flow of trade, which is very important in terms of U.S. exports as well as Mexican exports.

I am not aware that the inclusion of renewable projects has materially changed the structure of that relationship. The things that I have been most focused on, as I have talked to our Mexican counterparts, have been things to ease the flow of goods, roads, customshouses, and the like.

There was one more part of your question and I might not have answered it.

Ms. GRANGER. Will this require a change in NAFTA?

Secretary LEW. Oh, I do not believe it does. I think it is just a funding issue.

Ms. GRANGER. Thank you.

Mrs. Lowey.

Mr. Ruppertsberger.

Mr. RUPPERSBERGER. No.

Ms. GRANGER. Mr. Serrano.

Mr. SERRANO. Thank you.

Mr. Secretary, very quickly, I know that there are things you can't tell me about the negotiations going on with Cuba, but can you tell me at least, if you see, or the administration sees a willingness on both sides, and especially on the side of the Cubans, on the part of the Cubans, to make something to change the relationship to, to bring it to the point that I have wanted it, for the last many years and that other people have wanted. Do you see that desire to make this work?

Secretary LEW. Congressman, I will have to defer to my colleagues in the State Department who are engaged in conversations—

Mr. SERRANO. But you have information?

Secretary LEW. Yes. I have not actually gotten a report from the meetings that took place this week, so I do not have more current information.

But, let me go to kind of the broader principle about why we undertook the changes that we did. It was our view and the view, frankly, of many people in many administrations of both parties that the program that was in place was not having the positive effect it was intended to have. It was not opening Cuba up. It was not leading to the kind of change that is going to promote human rights and free expression and a move towards a freer economy in Cuba. That more contact with the American people, the easier flow of funds amongst family members and the opening up of easier financial transactions for our agricultural exporters and the like, would ultimately bring Cuba closer to where we think they ought to be.

I think it is premature for us to be talking about the full normalization. I mean, the international financial institutions, we are barred by law, as you know, from supporting their entry. We are not talking about changing the things that are as a matter of law, off limits. We have to take this one step at a time. We have opened a big door in a way that I think is going to promote the kind of positive change that I think we all want to see in Cuba.

I think more contact, more communications, more telephone contact, more Internet contact, more exposure to printed material from the United States, is all going to be part of it. I am hopeful that we will see the kind of change in Cuba that the Cuban people need, but that will also be good for U.S./Cuba relations in the long run.

Mr. SERRANO. Right. And I am not trying to be funny, but I know that when you sit around that big table with other members of the cabinet, their discussions and opinions and so on, and I can honestly tell you that one of the parts that has confused me totally about our Cuban policy, I mean, a lot of things have confused me, is this whole thing of Cuba being on the list of terrorist nations. It never made any sense, and it is probably the kind of thing that 20 years from now we will decide was a political decision made to appease a certain part of the American community or whatever, but it doesn't make any sense.

Going back to a question that was asked before by Mr. Crenshaw, what are sanctions like? I remember in the Cuba issue, for a while—I don't know if it is still in place—where if a ship did business—or a country did business with Cuba, it could not dock its ship in any of our ports for 180 days. So, those were the kind of things that people apply during sanctions. But, you know, I think many of us are on the same page, that it is time the end this policy. It has been a failure for the Cuban people and for our country, and it is time to move ahead and, you know, just deal with a country that is 90 miles from our coast.

Thank you.

Ms. GRANGER. Thank you.

Mr. Fortenberry, you will have the last question.

Mr. FORTENBERRY. Thank you, Madam Chairwoman.

Mr. Secretary, thank you for being here today. I want to return to the discussion—which you probably already have. I missed the balance of the hearing—but on the IMF. You are a proponent of us embracing this reform package. Could you give your rationale, please?

Secretary LEW. Yes, I would be happy to, Congressman. The IMF reforms were negotiated about 5 years ago, to address the fact that the world has changed in terms of the size of different economies, the stage of development of different economies, but the rules at the IMF have not. It was very important to the United States that we maintain our position at the IMF, that we not see a dilution of our veto and the very substantial role that we play.

There was essentially a reallocation of shares and executive committee membership so that a couple of seats moved from Europe to the emerging economies. There will be share increases that move around amongst countries, all the while preserving the U.S. interests. It is something that was considered a very important step forward by the emerging economies. It is something that even the countries that are giving up shares that they would rather not be giving up would like to see finalized so that the institution is stabilized and it has the resources it needs to go forward. So, that means a lot of these emerging economies will contribute more.

We do not have to contribute more to meet the new levels of capital. We have, through the new arrangement to borrow, put money into the IMF during the financial crisis. That by simply moving those resources from the new arrangement to borrow into the general capital, we will meet our share of the new contributions. While a lot of other countries are bringing new money to the table, we are just moving it from one IMF fund to another.

I think it was a very good deal for the United States. It is a very good deal for the IMF, because it gives the IMF the resources it needs to deal with whatever comes over the coming years, and it is a good deal for the emerging economies who legitimately want to see some increase in their representation in a body that was designed before they were part of the world conversation.

Everyone but the United States has ratified. The United States is the last country. We have helped drive this forward, design it. It is an institution that we were fundamental to the creation of and the sustenance of. And our leadership in it is going to be challenged severely if we do not ratify the reforms. I think it is a good deal, and the sooner we ratify it, the better it is for both the United States and the IMF.

Mr. FORTENBERRY. Even though we don't have any heightened direct fiscal impact from it, do we have heightened risk from additional obligations?

Secretary LEW. Well, there is a scoring impact for technical reasons, but just to put it in perspective, it is moving a commitment of roughly \$60 billion from one fund to another and the scoring impact is a few hundred million dollars. It is not a very substantial change, even if one takes the view that the scoring is the measure of the change. I personally do not think the scoring is even necessary, but rules are rules and we have come up with proposals to cover that cost.

Mr. FORTENBERRY. As a lender of last resort, though, what is your perspective on the IMF power to interact with rogue or to stop, rogue fiscal policies that could undermine the very substantive change that need to take place in order to stop whatever crisis they might be intervening in?

Secretary LEW. I think if you look at the IMF's involvement in the last decade, it has been a force for change not just to stop rogue fiscal policies, but to require that responsible fiscal policies be adopted as a condition for IMF support at a difficult time. Some have criticized the IMF for being too tough in demanding programs of reform in exchange for support.

I think if you look at some of the situations, whether it is Ukraine today, or Europe during the financial crisis, there are important national security interests and economic interests for the United States. I believe we have a serious national security interest in making sure Ukraine can survive through this difficult period adopting the kinds of reforms it needs to have a future that is free from the kind of corruption that characterized its past.

And without the IMF, I do not think those reforms would be as far as they are, and I don't think that they would have the runway that they have in order to withstand the very difficult security situation in the east. If you look at Europe, Europe is our biggest trading partner. If Europe had not had the IMF to go to, there was nowhere else to stop the spread of the economic crisis. The IMF was the first line of defense, and we, as a country that export quite a lot to Europe, that where the trade flows between the United States and Europe are a significant part of our economy, benefitted from that quite directly, not to mention the geopolitical risk of a totally collapsed European economy.

Even in the last 10 years, the IMF has proved it is an essential asset in the world financial order, and it provides the first line of defense. Just a few months ago, when everyone was worrying about Ebola, the first relief that went to African countries to give them the ability to deal with the situation, it came from the IMF, because they can respond quickly.

So I think that, like any institution, one can, raise questions of whether you would have done exactly what they did in one situation or another. We have a voice in that, that is very strong. I am afraid that that voice gets weakened if we do not come to the table having kept our part of the bargain, which is what ratification of the reforms is.

Mr. FORTENBERRY. Thank you. Thank you, Mr. Secretary.

And thank you, Madam Chairwoman.

Ms. GRANGER. Thank you. Secretary Lew, thank you again for your time. This concludes today's hearing, and members may submit any additional questions for the record.

The subcommittee on State, Foreign Operations, and Related Programs stands adjourned.

Questions for the Record Submitted by Chairman Rogers

Anti-Coal Policies

- 1. You stated in the hearing that the World Bank can use an exception for the poorest countries to finance coal-fired power plants. Please provide a list of every time this exception has been used since 2013.**

Answer:

World Bank management has not proposed financing a coal-fired power plant since 2013. However, the World Bank is in continued discussions with Kosovo about potential World Bank support for the Kosovo C power plant.

- 2. What are the policies for each multilateral development bank (other than the World Bank) to finance coal-fired power plants?**

Answer:

Asian Development Bank (ADB): ADB's current Energy Policy prioritizes energy efficiency improvements and renewable energy projects. The ADB will occasionally and selectively support coal-based power projects only where those projects include cleaner technologies that reduce emissions (such as fluidized bed combustion, supercritical and ultra-supercritical technologies, and flue gas desulfurization) and when adequate mitigation equipment and measures are incorporated into the project design.

Inter-American Development Bank (IDB): The IDB has guidelines for coal-fired power plants that were issued in 2009. Since that time, the IDB has not financed any coal-fired power plants. The guidelines allow for the IDB to support those coal plants that are designed to meet minimum performance criteria in terms of efficiency and greenhouse gas emissions intensity, and to use the best appropriate available technology to allow for high efficiency and therefore lower greenhouse gas emissions intensity.

European Bank for Reconstruction and Development (EBRD): The EBRD approved a revised Energy Sector Strategy in December 2013. The strategy states that the EBRD will not finance any greenfield coal-fired power plant except in rare circumstances, such as when there are no economically feasible alternative energy sources. In addition, if Carbon Capture and Sequestration (CCS) is commercially and technically viable for a project, the EBRD will require it. The EBRD has not financed any coal-fired power plants since the adoption of its new Energy Sector Strategy.

African Development Bank (AfDB): In 2013, the AfDB updated its Energy Sector Policy to include guidelines and screening criteria for future investments in coal. For example, proposed greenfield or retrofit coal-fired power plant projects must contribute to poverty reduction and address energy security needs, and should adopt technologically and

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

commercially feasible low-carbon strategies while mitigating negative environmental impacts. The AfDB promotes adoption of the most appropriate, commercially available and affordable technologies for reducing greenhouse gas emissions, and conducts assessments of the technical, economic, and financial feasibility of abatement. The AfDB also encourages assessment of the potential for readiness for relevant carbon capture and storage technologies.

- 3. What is the policy of the new Asian Infrastructure Investment Bank with respect to financing coal-fired power plants?**

Answer:

The AIIB has not articulated a specific policy toward coal-fired power plants.

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Questions for the Record Submitted by Chairwoman Granger

International Monetary Fund (IMF)

- 1. What is the current balance of the IMF endowment established with \$7 billion in profits from the 2010 gold sales?**

Answer:

As of January 31, 2015 (the most recent quarterly financial statements), the IMF Endowment sub-account contained \$6.4 billion (using SDR= \$1.38836 exchange rate of 6/1/2015, applied to the balance of SDR 4.624 billion). Note that the decline in the U.S. dollar value of the endowment is due to changes in the SDR/\$ exchange rate (i.e., the appreciation of the dollar).

- 2. How much has been spent from this endowment since its creation?**

Answer:

None of the principal or earnings from the endowment has been spent since its creation. Gold sale proceeds for the endowment were initially placed in short-term investments, and are being converted into longer-term investments in a phased manner over a three-year period, which began in 2014. Until the longer-term investment plan has been phased in (2017), earnings from the endowment are being retained.

- 3. How has the remaining \$3.8 billion in gold sales profits been spent or programmed? Please be specific.**

Answer:

With strong U.S. leadership, the IMF Board decided to use all of the windfall gold sales profits (\$3.4 billion using SDR= \$1.38836 exchange rate of 6/1/2015) to support low-income countries through the Poverty Reduction and Growth Trust (PRGT). Specifically, in 2009, the IMF Board decided to use about \$1 billion of the initial windfall profits to boost the PRGT's concessional subsidy resources. Subsequently, in September 2012, the IMF Board decided to similarly direct the remaining \$2.4 billion windfall to the PRGT.

- 4. What is the IMF's income earned on outstanding loans for calendar year 2014 and projected for 2015?**

Answer:

Data on the IMF's income from lending is provided on a fiscal year basis. In FY 2014 (ending April 2014), income from lending was \$3.5 billion and in FY 2015 income from lending was projected to be \$4.1 billion.

- 5. Please list each outstanding loan and corresponding surcharges on each loan for 2014 and projected for 2015.**

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Answer:

Data on surcharge income is only available to the Board on a fiscal year basis in aggregate. For FY 2014 (ending April 30, 2014) surcharge income totaled \$2.1 billion, and for FY 2015 surcharge income was projected to be \$2.2 billion.

During the FY 2014 to FY 2015 period, countries with IMF credit outstanding above the 300 percent of quota threshold that triggers surcharges included: Antigua and Barbuda, Armenia, Greece, Iceland, Ireland, Jordan, Pakistan, Portugal, Romania, Sri Lanka, St. Kitts and Nevis, and Ukraine.

6. What is the total cost estimated for the IMF headquarters expansion?

Answer:

The cost of the IMF headquarters expansion was \$431 million. The IMF Executive Board approved this budget in two tranches of \$84 million and \$347 million in FY 2012 and FY 2013, respectively.

7. How much is estimated for this expense in 2015?

Answer:

None. The entire budget for the project was front loaded in the FY 2012 and FY 2013 budgets.

8. What is the one year forward commitment capacity of the IMF?

Answer:

As of May 28, 2015 (the most recent date for which this information is available), the one-year forward commitment capacity of the IMF is \$420 billion.
(reference, table 2: <http://www.imf.org/external/np/tre/activity/2015/052815.htm>)

9. Have any IMF resources been committed in the past five years in which IMF loans were not specifically singled out to be paid back first?

Answer:

No. The IMF is regarded as the world's preferred creditor in all of its lending activities, meaning that all of the IMF's member countries acknowledge that the IMF is repaid before other creditors. The repayment record to the IMF is excellent, and the international community generally understands that preferred creditor status is a critical part of the Fund's mandate to require adequate safeguards on its outstanding credits.

10. What is the level of staff at the IMF, including temporary or contract staff?

Answer:

The IMF's staff level was 2,604 regular staff and 490 contractual employees in 2014.

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

- 11. Please provide a list of all countries that have outstanding loans from the IMF with exceptional access. Please provide the corresponding percentage of the Member's quota that the financing represents.**

Answer:

Exceptional Access Programs	Outstanding Financing as % of Quota (May 28, 2015)
<u>Current Programs</u>	
Greece	1,530
Jordan	633
Ukraine	514
<u>Completed Programs</u>	
Iceland	201
Ireland	300
Pakistan	9 (from Exceptional Access, 260 all outstanding)
Portugal	1,732
Sri Lanka	183
St. Kitts and Nevis	346

- 12. Please provide the surcharge levels levied against all IMF financing in FY14 and FY15 to date.**

Answer:

Surcharges are designed to discourage large and prolonged use of IMF resources. During FY 2014 and FY 2015, the surcharge was set at 200 basis points (bps) on credit outstanding above 300 percent of quota, rising to 300 bps when credit exceeded that threshold for more than three years.

- 13. What is the level of the IMF's operating budget in FY14 and FY15?**

Answer:

The IMF's FY 2014 operating budget was \$1,007 million, and the IMF's FY 2015 operating budget is \$1,027 million.

Exchange Stabilization Fund

- 1. What was the balance of the Exchange Stabilization Fund at the end of FY14?**

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Answer:

The total balance of the Exchange Stabilization Fund was \$98,045,200,408.02 as of September 30th, 2014. The composition of this total balance is reflected in the table below.

EXCHANGE STABILIZATION FUND STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2014		
ASSETS		
<i>Fund Balance with Treasury</i>		-
<i>MMMF GSE Securities</i>		-
Accrued interest receivable on GSE Securities		-
<i>Special Drawing Rights</i>		
Special Drawing Rights Holdings	53,148,236,593.30	
Accrued interest receivable on Special Drawing Rights holdings	5,358,511.13	
<i>Total Special Drawing Rights</i>		53,153,595,104.43
<i>US Government Securities</i>		
Investments in US Government Securities	22,649,209,051.79	
Accrued interest receivable on U.S. Gpvt Securities	-	
<i>Total US Government Securities</i>		22,649,209,051.79
<i>European Euros</i>		
Deposits with Official Institutions	8,249,309,185.75	
Securities:		
Held outright	5,420,946,007.38	
Held under repurchase agreements	-	
Accrued interest receivable on Euro investments	65,988,840.61	
<i>Total European Euros</i>		13,736,244,033.74
<i>Japanese Yen</i>		
Deposits with official institutions	2,811,502,607.10	
Securities	5,691,434,725.79	
Accrued interest on Yen investments	3,214,885.17	
<i>Total Japanese Yen</i>		8,506,152,218.06
TOTAL ASSETS		\$ 98,045,200,408.02

2. Please provide a chart of the ten largest transactions conducted by the Exchange Stabilization Fund in FY14.

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Answer:

The Exchange Stabilization Fund did not engage in any credit operations with foreign governments or currency interventions in fiscal year 2014 (FY14). ESF transactions conducted in FY 2014 were solely for the purpose of portfolio management of existing ESF investments, denominated in euros and yen. We would be happy to provide you, upon your request, with information on the largest euro and yen investment transactions, as well as the FY 2014 audit report for the ESF. The latter is available on Treasury's website¹.

Global Food Security Trust Fund (GFSTF)

1. Please provide an updated chart on all contributions to the GFSTF including the United States, and the corresponding percentage of contributions both cumulatively and in FY14.

Answer:

Please see below for information on contributions to the Global Agriculture and Food Security Program (GAFSP)

GAFSP Public Sector Window Commitments and Paid In Amounts*			
Donor	Pre-or Post-Tokyo	Committed Amount (USD million)	Paid-in Amount (USD-million)
Australia	Pre-Tokyo	98.3	98.3
Canada	Pre-Tokyo	177.1	177.1
Canada	Post-Tokyo	24.4	24.4
Gates Foundation	Pre-Tokyo	30.0	30.0
Gates Foundation	Post-Tokyo	40.0	40.0
Germany	Post-Tokyo	12.3	12.3
Ireland	Pre-Tokyo	0.6	0.6
Ireland	Post-Tokyo	1.4	1.4
Korea	Pre-Tokyo	53.9	53.8
Korea	Post-Tokyo	30.0	15.0
Spain	Pre-Tokyo	94.2	94.2
United Kingdom**	Post-Tokyo	57.8	20.1
United States	Pre-Tokyo	450.0	450.0
United States	Post-Tokyo	116.8	116.8

¹ <http://www.treasury.gov/about/organizational-structure/ig/Audit%20Reports%20and%20Testimonies/OIG15018.pdf>

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Total Pre-Tokyo	904.1	904.0	
Total Post-Tokyo	282.7	230.0	
Overall Total	1186.8	1134.0	
GAFSP Private Sector Window Commitments and Paid In Amounts*			
Donor	Pre-or Post-Tokyo	Committed Amount (USD million)	Paid-in Amount (USD-million)
Australia	Post-Tokyo	6.1	6.1
Canada	Pre-Tokyo	51.5	51.5
Netherlands	Pre-Tokyo	142.9	107.0
Japan	Post-Tokyo	30.0	10.0
United Kingdom	Post-Tokyo	59.3	59.3
United States	Pre-Tokyo	25.0	25.0
Total Pre-Tokyo		219.4	183.5
Total Post-Tokyo		95.4	75.4
Overall Total		314.8	258.9

Total Pre-Tokyo Combined Public and Private Sector Windows	1123.5	1087.5
Total Post-Tokyo Combined Public and Private Sector Windows	378.1	305.4
Overall Total Combined Public and Private Sector Windows	1501.6	1392.9

*Note: Paid-in amounts may vary from committed amounts due to currency movements.

**The United Kingdom pledged GBP 12.5 million to the public sector window, GBP 37.5 million to the private sector window and an additional GBP 25 million to be determined. The pledges for the public and private sector windows have been paid in, but the UK has not made a determination on the final GBP 25 million. For this presentation, the unallocated pledge has been included in the public sector window pledge.

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Cumulative Donor Contributions to GAFSP To Date (US\$ million)		
Donor	Paid-In Amount	Percentage
Australia	104.4	7.5%
Bill and Melinda Gates Foundation	70.0	5.0%
Canada	253.0	18.2%
Germany	12.3	0.9%
Ireland	2.0	0.1%
Japan	10.0	0.7%
Netherlands	107.0	7.7%
South Korea	68.8	4.9%
Spain	94.2	6.8%
United Kingdom	79.4	5.7%
United States	591.8	42.5%
Total	1392.9	100%

FY2014 Donor Contributions to GAFSP (US\$ million)		
Donor	Paid-In Amount	Percentage
Ireland	1.4	2.3%
South Korea	15.0	24.5%
Japan	10.0	16.4%
Netherlands	4.3	7.0%
United Kingdom	30.4	49.8%
Total	61.1	100%

2. Are any contributions by other donors made as loans?

Answer:

No donor contribution to GAFSP is provided in the form of a loan.

Multilateral Development Banks (MDB)

1. Please provide a list of all MDB financing or assistance provided to countries on which the U.S. has statutory prohibitions on assistance.

Answer:

In FY 2014, the multilateral development banks (World Bank, Asian Development Bank, African Development Bank, Inter-American Development Bank, and European Bank for Reconstruction and Development) provided financing and assistance totaling \$6.67 billion to countries for projects. The United States opposed this financing and assistance

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

because of directed voting mandates. This funding represented 5.29 percent of total MDB financing commitments (\$126.2 billion) over the same time period.

Angola (\$1029.57 million)

- Institutional Capacity Building for Private Sector Development Project
- Promotion of Sustainable Charcoal in Angola through a Value Chain Approach
- Power Sector Reform Support Program

Belarus (\$195.4 million)

- Belarus Rolling Stock Project - Additional Financing
- Water Supply & Sanitation Project - Additional Financing
- Biomass District Heating Project
- Belarus Rolling Stock Project

China (\$2450.1 million)

- Shaanxi Small Towns Infrastructure Project
- Climate Smart Staple Crop Production Project
- Guizhou Cultural and Natural Heritage Protection and Development Project- Proposal to Restructure
- Fujian Fishing Ports Project
- Economic Transformation & Institutional Capacity Building Project
- Yunnan Honghe Prefecture Diannan Center Urban Transport Project
- Jiaozuo Green Transport & Safety Improvement Project
- Shanxi Gas Utilization Project
- Heilongjiang Cold Weather Smart Public Transportation System Project
- Ha Jia Railroad Project
- Yunnan Chuxiong Urban Environment Improvement Project
- Guiyang Rural Roads Project
- Qinghai Xining Urban Transport Project
- Integrated Modern Agriculture Development Project
- Anhui Yellow Mountain New Countryside Demonstration Project
- Yunnan Sustainable Road Maintenance Sector project
- Qinghai Delingha Concentrated Solar Thermal Power Plant
- Inner Mongolia Road Development Project

Ethiopia (\$1431 million)

- Competitiveness & Job Creation Project
- Second Urban Development Project
- Road Sector Support Project
- Pastoral Community Development Project III

Guinea-Bissau (\$30.7 million)

- Emergency Water & Electricity Services Upgrading Project

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

- Private Sector Rehabilitation and Agribusiness Development Project
- Somalia (\$3.75 million)
- Economic and Financial Governance Institutional Support
- Sri Lanka (\$1461.47 million)
- Integrated Road Investment Program MFF
 - Multitranchise Financing Facility Green Power Development and Energy Efficiency
 - Implementation of the National Biosafety Framework in Accordance with the Cartagena Protocol on Biosafety
 - Strategic Cities Development Project
 - Development Policy Loan with Catastrophe Deferred Drawdown Option
 - Climate Resilience Improvement Project
- Sudan (\$39.02 million)
- Promoting the Use of Electric Water Pumps for Irrigation
 - Public Financial and Management Capacity Building
- Zimbabwe (\$33.35 million)
- Establishment of a Zimbabwe Reconstruction Multi-Donor Trust Fund
 - Youth and Tourism Enhancement Project (YTEP)
 - National Transport Sector Master Plan Study
 - Emergency Power Infrastructure Rehabilitation Project Phase 1 - Additional financing
 - Emergency Power Infrastructure Rehabilitation Project Phase II Stage I
 - Governance and Institutional Strengthening project

Voting mandates found in various U.S. laws direct how the United States should vote on particular MDB projects, but MDB Boards can vote to provide assistance despite U.S. opposition. Treasury takes such mandates very seriously, and carefully implements them in accordance with the terms of each mandate.

2. Please provide a list by bank of any contributions made as loans from donor countries. Please provide the amount, the terms, and the country.

Answer:

The World Bank's International Development Association (IDA) is the only multilateral development bank to receive contributions as loans from donor countries. For the current IDA-17 replenishment, five donors (China, France, Japan, Saudi Arabia, and the United Kingdom) provided concessional loans to IDA on top of their grant contributions.

Concessional Partner Loans to World Bank's International Development Association:

Contributing	Loan amount	Loan terms
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*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

members			
	USD Million	Maturity	All-in-cost coupon rate in SDR terms
China	928.89	5-25	1.00%
France	522.83	5-25	0.00%
Japan	1,802.99	10-40	1.00%
Saudi Arabia	109.27	5-25	0.00%
United Kingdom	691	5-25	0.00%

- 3. Please describe the exact transaction between the International Development Association (IDA) and the International Finance Corporation (IFC) with regard to the Chinese \$1B loan to IDA. Was the U.S. aware of this transaction prior to it occurring and did the U.S. support it?**

Answer:

During the IDA-17 replenishment, IDA Deputies approved the use of concessional partner loans (CPLs) to IDA, as a means to increase IDA's overall commitment authority, provided that the loan package reached a level of concessionalality of 1.67 percent. The China CPL was structured as a package that included: a \$1 billion market rate loan from China State Administration of Foreign Exchange (SAFE) at 3.7 percent and a grant from China's Ministry of Finance (MOF) of \$179 million to buy down the interest rate of the loan from SAFE. The \$179 million did not fully buy down the interest rate to the required level of concessionalality, so IDA arranged with IFC to invest the proceeds from SAFE and MOF in a structured, front-loaded amortizing bond with a guaranteed 1.84 percent return. The combination of the MOF grant and the return from IFC on the structured note bought the package down to the required concessional threshold.

IDA's Treasury raised concerns about potential governance breaches and the appropriate roles and responsibilities both within IDA and the broader World Bank associated with the transaction. The issue was referred to the World Bank Board's Audit Committee, of which the United States is a member. This is when we first learned of the transaction. Separately, the World Bank's General Counsel decided to seek an investigation by an independent law firm into the corporate and financial governance concerns arising from this situation. The investigation did not find willful acts of financial wrongdoing, but did note concerns about problems with internal communications and division of responsibilities between IDA management (i.e., the Development Finance Vice Presidency) and the IDA Treasury that World Bank management could have prevented. World Bank management presented a remedial action plan to the Audit Committee, which includes clarifying the roles of IDA management and IDA Treasury to improve communication, standing up a new business committee to review new finance and business initiatives, and a review by the Internal Audit Department of the financial aspects of the IDA concessional partner loans. We

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

have examined the terms of reference for the Internal Audit Department's review, and are monitoring management's implementation of the remedial plan.

The United States was aware of China's intention to provide a CPL to IDA, and we supported the inclusion of CPLs as part of the financing framework for IDA-17. However, we were not aware of the details of the specific transaction and had no prior approval authority over it.

4. Please provide details about the reflows model at IDA and the changes in lending to recipient countries necessary to repay loans to donors.

Answer:

IDA borrows from donors on terms that are at least as concessional as IDA's own lending to countries on so-called "blend" terms (which are provided to countries that have per capita income levels above IDA's income cutoff and are creditworthy for International Bank for Reconstruction and Development (IBRD) borrowing. Blend countries have access to both IDA and IBRD resources). During IDA-17, approximately 30 percent of IDA's resources are projected to be provided on blend terms. IDA capped the level of donor loans (CPLs) based on projections about the level of assistance to be provided on blend terms. Consequently, no changes were required in lending terms to IDA recipient countries to accommodate the need to repay donor loans.

5. What level of grants versus loans did IDA provide during IDA-16? What are the targets for IDA-17?

Answer:

In IDA-16, commitments for IDA credits totaled US\$44.4 billion, representing 83 percent of total commitments. Commitments for IDA grants amounted to US\$7.5 billion (14 percent). IDA also financed 11 partial risk guarantees worth US\$1.4 billion, or 3 percent of total IDA-16 commitments.

In terms of the IDA-17 allocation to grants, the actual amount will depend on the Debt Sustainability Analysis for each country and can change each year over the replenishment period. Currently, approximately 13.5 percent of IDA-17 country allocations are expected to be allocated to grants. This excludes any allocation for arrears clearance, transitional support for India, and the crisis response window.

6. Does the administration think it is acceptable for donors to lend money to these banks and not provide contributions as grants?

Answer:

The Administration believes that donors should provide the majority of their contributions to the multilateral development banks' concessional windows as grants. We are open to donors providing concessional loans, provided that concessional loans are additional, resulting in increased concessional resources being made available to the

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

world's poorest countries, and there is a sound debt management framework in place for the concessional window. To conform to these principles, the level of concessional donor loans to IDA was capped under the projected level of lending on blend terms (see above), and donors providing a concessional loan were required to provide a grant contribution equivalent to at least 80 percent of their IDA-16 burden share.

7. How will you ensure that U.S. grant contributions will not be used to pay back China and other donors?

Answer:

CPLs do not alter the use of donor grant contributions to IDA. All donor grant contributions will be disbursed to IDA recipient countries as grants or concessional credits. In effect, CPLs will be serviced using repayments on IDA credits that were provided on blend terms or transition support terms (e.g., less concessional terms provided to India during IDA-17 as it graduates from IDA). CPLs are structured on terms similar to, or more concessional than IDA blend terms, and the level of CPLs made to IDA during IDA-17 was capped below the projected level of IDA-17 lending on blend terms so that there is no risk that IDA will need to use donor grants to repay CPLs..

8. Is China using loans to finance its contribution to the new Asian Infrastructure Investment Bank? Are other donors?

Answer:

Neither China nor any other donor has discussed with us its plans to finance its contributions to the AIIB.

9. Please provide a list of each bank and their policy to publish all audits, both performance and financial, online.

Answer:

Inter-American Development Bank (IDB): The IDB publishes online its audited financial statements in its annual report. All performance evaluations produced by the independent Office of Oversight and Evaluation are also published online. This includes corporate, sector, and country program evaluations. The Project Completion Reports produced by IDB staff to report on the performance of individual projects are also published online. The IDB's Access to Information Policy (<http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35167427>) governs the publication of IDB documents. This policy establishes a presumption in favor of disclosure and requires public disclosure of any information not contained on a list of exceptions, in an attempt to maximize public access to all documents produced or received by the IDB in the course of its official duties.

Asian Development Bank (AsDB): The AsDB publishes its annual financial report online, which includes the AsDB's audited financial statements. In addition, the AsDB publishes various performance reports online, including the Independent Evaluation

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Department's Annual Report and the Development Effectiveness Review produced by management.

African Development Bank (AfDB): The AfDB's annual financial statements are audited by an external auditor and published on the AfDB's website. Evaluations produced by the Independent Development Evaluation office are also published online. This includes corporate, sector, and country program evaluations. The AfDB's Disclosure and Access to Information Policy establishes the types of information that can be disclosed to the public and the procedures for disclosure. Under the policy, there is a presumption that all the information held by the AfDB can be shared with the public, unless it falls under one of the policy's exceptions, on the principle that as a public development institution, the AfDB should be open and transparent.

European Bank for Reconstruction and Development (EBRD): The EBRD publishes its annual financial statements, which are audited by an external auditor, on the EBRD website. The EBRD's independent Evaluation Office also publishes on the EBRD website its Annual Evaluation Review, annual work program and budget, summaries of in-depth operation evaluations, and special and thematic studies including EBRD management comments and accompanying approach papers. In May 2014, the EBRD updated its Public Information Policy, which emphasizes the importance of transparency and a presumption of disclosure. Among other improvements, the EBRD agreed to disclose more information on environmental and social aspects of its projects.

World Bank: The World Bank has continued to make its operational, project, and financial data open to all stakeholders, including audits and performance data. Its annual financial statements are audited by an external auditor and published on its website. Final evaluations produced by the Independent Evaluation Group (IEG) are typically posted online in accordance with IEG's 2011 Access to Information policy. Information that can be disclosed and is not available online through IEG's website is available by submitting a written request through IEG's Web site at <http://ieg.worldbankgroup.org>. In accordance with its Access to Information Policy, the World Bank allows access to any information in its possession that is not on a list of exceptions. During World Bank FY 2014 (ending June 30, 2014), there were more than 1.8 million visits to the dedicated World Bank Documents and Reports database; users viewed more than 7.5 million pages and downloaded more than 1.3 million files.

North American Development Bank (NADBank): The NADBank posts its annual report online each year, which includes the NADBank's audited financial statements. In addition, NADB provides a quarterly status report of ongoing projects online.

- 10. Please provide the current level of budget support at each bank for 2013, 2014, and projected for 2015.**

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Answer:

Inter-American Development Bank: The IDB Board approved \$4.013 billion of budget support loans in 2013, \$3.208 billion in 2014 and is projected to approve \$3.294 billion in 2015.

Asian Development Bank: The AsDB Board has approved 17 projects worth \$2.6 billion since 2013: \$1.2 billion in 2013, and \$1.5 billion in 2014 (no budget support projects have been approved thus far in 2015).

African Development Bank: AfDB budget support totaled approximately \$624 million in 2013, \$1.6 billion in 2014, and is projected to total \$903 million in 2015. This financing consists of 45 loans or grants to 27 countries over the period 2013-2015.

World Bank: The World Bank's fiscal year runs from July 1 to June 30. For FY 2013, total development policy finance (i.e., budget support lending) was \$7.7 billion. For FY2014, it was \$12.4 billion. For the first three quarters of FY2015, it was \$8.2 billion. While the World Bank does not provide lending forecasts by instrument, annualizing the FY2015 figure would bring total lending for the full fiscal year to \$10.3 billion. After peaking at roughly 40 percent in FY2009-2010, development policy lending as a share of total World Bank lending has declined to around 25 percent, a level that is similar to those that prevailed before the global economic crisis.

- 11. For the World Bank, please list the ten largest recipient countries of budget support, or Development Policy Loans (DPL) as referred to by the World Bank, in 2014. Please provide a corresponding narrative of each country's adherence to the 2004 World Bank operational policy for DPLs.**

Answer:

Top 10 borrowing countries, commitments in US\$ million (FY 2014)	
Country	Total Commitments
1 Brazil	1246
2 Romania	1035
3 Pakistan	1000
4 Morocco	800
5 Ukraine	750
6 Indonesia	700
7 Colombia	600
8 Vietnam	520
9 Philippines	500
10 Guatemala	340

The World Bank's operational policy on development policy loans (DPLs) requires that DPLs support reforms intended to boost growth and sustainable poverty reduction. The

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

provision of a DPL depends on a positive assessment by the World Bank that the country has in place an adequate macroeconomic framework, that the program of reforms is likely to boost growth or reduce poverty in a sustainable manner, and that risks to the program of reforms have been adequately mitigated.

The World Bank has assessed that each of the 10 largest recipient countries of DPLs in FY 2014 complied with the operational policy's requirements that the loan support reforms intended to boost growth and sustainable poverty reduction, and that the recipient country have in place an adequate macroeconomic framework.

Brazil

Brazil received several DPLs in FY 2014 that focused on strengthening fiscal management in several states in Brazil (including through improved tax administration and public procurement), improving water resources management, and strengthening the delivery of basic services to vulnerable and underserved groups, including ethnic minorities.

Romania

Romania has received a limited number of DPLs that have been primarily focused on strengthening public financial management, and ensuring financial growth and development. This set of policy reforms places of its focus on improving pro-poor services, reforming financial markets (such as improving capital market supervision), and improving the efficiency of public expenditure.

Pakistan

Pakistan was the third largest recipient of World Bank DPLs in FY 2014, with a large portion of the funds going towards a program of fiscally sustainable and inclusive growth. Areas of focus included privatization of state-owned enterprises, investment climate reforms around business registration, financial inclusion, trade competitiveness, revenue mobilization, and protecting priority public spending.

Morocco

Morocco was the fourth largest recipient of World Bank DPLs in FY 2014. These DPLs supported efforts to manage natural resources in key sectors of Morocco's economy such as agriculture, eco-tourism, and fisheries, as well as to strengthen the development of renewable energy resources.

Ukraine

Ukraine was the fifth largest recipient of World Bank DPLs in FY 2014. The World Bank's loans focused on reinvigoration of the economy through enhanced energy efficiency efforts and financial sector restructuring. The loans also focused on urban infrastructure and development, further aiding the poor in the Ukraine.

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Indonesia:

The Government of Indonesia received DPLs in FY2014 that promote the development of a stable, efficient, and inclusive financial sector. The loans sought to reinforce financial system stability, promote financial sector diversification, and enhance financial inclusion.

Colombia:

In FY2014, World Bank DPLs for Colombia aimed to address structural impediments to growth in three main areas: enhancing the availability of financing for infrastructure; improving the provision of training for unemployed workers; and improving business regulations (including by streamlining customs procedures).

Vietnam:

The World Bank's DPLs for Vietnam in FY 2014 focused on addressing climate change by adopting policies and strengthening institutional capacity to promote climate resilient and lower carbon intensity development.

Philippines:

The Philippines received DPLs from the World Bank in FY 2014 to support inclusive growth and job creation by tackling regulatory barriers in land, labor, and capital markets while ensuring fiscal sustainability and boosting fiscal governance and transparency.

Guatemala:

Guatemala has utilized DPLs and budget support for improving its internal management of finances. In FY 2014, World Bank lending to Guatemala supported the government's efforts to strengthen tax administration and tax policy, strengthen budget management, and improve the management and coordination of social policies.

12. For the World Bank, please list the top ten recipient countries for World Bank procurement awards.

Answer:

The FY2014 country procurement rankings were:

1. China \$2.5 billion
2. India \$1.8 billion
3. Vietnam \$557 million
4. Brazil \$552 million
5. Argentina \$503 million
6. United Kingdom \$413 million
7. Turkey \$402 million
8. Spain \$385 million
9. Afghanistan \$359 million
10. Azerbaijan \$343 million

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

The U.S. declared/registered companies received \$95 million.

There are significant limitations associated with the procurement data available from the World Bank. First, the nationality of contract award companies is tracked via a standardized audit process that only covers about 40 percent of total procurement (by number of contracts). Second, of those 40 percent of cases, the companies' nationality is either self-declared or based on the mailing address submitted by the company. As a result, reported nationality often does not reflect nationality of ownership. The most prevalent example of this occurs when U.S. or other countries' multinationals participate in the procurement via subsidiaries. In those cases, the location of the subsidiary gets recorded as the nationality of the contract winner. In the case of Afghanistan, for example, some preliminary analysis conducted by the Commerce Department suggests that no more than 30 percent of the contract award amounts were provided to Afghanistan-owned companies. The data do not include sub-contracts, which are likely to be significant. Anecdotally, we know from our discussions with U.S. company representatives that they have secured business from the World Bank in the form of sub-contracts, but this is not reflected in the data that the World Bank currently collects. As part of the ongoing procurement reforms, the World Bank is launching a new procurement tracking system that aims to significantly improve the comprehensiveness and quality of the World Bank's procurement data.

13. For the Inter-American Development Bank, please list the ten largest recipient countries of budget support, or policy-based loans.

Answer:

In 2014, the 10 largest recipients of policy-based loans from the Inter-American Development Bank were:

1. Colombia \$800 million
2. Mexico \$800 million
3. Dominican Republic \$400 million
4. Panama \$300 million
5. Guatemala \$250 million
6. Jamaica \$140 million
7. Honduras \$130 million
8. Uruguay \$120 million
9. Bolivia \$106 million
10. Peru \$75 million

14. For the African Development Bank (AfDB), please list the ten largest recipient countries of budget support, or policy-based loans.

Answer:

During the 2013-2015 period, the 10 largest recipients of AfDB budget support or policy-based loans were:

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

1. Angola \$1.1 billion
2. Morocco \$654 million
3. Nigeria \$293 million
4. Ethiopia \$165 million
5. Zambia \$144 million
6. Tanzania \$133 million
7. Rwanda \$112 million
8. Mali \$104 million
9. Côte d'Ivoire \$73 million
10. Ghana \$68 million

World Bank Program for Results (P4R)

- 1. What is the World Bank's cost estimate for administering P4R? How large a staff is needed?**

Answer:

The average World Bank financing of a P4R project (including both approved operations and those under preparation) is about \$203 million, which is larger than the average investment project loan. Preparation time for P4R projects averages 13.6 months. For the 22 P4R projects approved through March 2015, the average expense directly related to preparation is \$556,000. By comparison, preparation of an investment project costs \$548,000, on average. World Bank staff believe that the preparation costs for P4R projects are likely to decline as a result of greater efficiencies gained through additional implementation experience.

- 2. Please provide a list of all P4R transactions that were approved, and which ones the US voted against or abstained.**

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Answer:

Board Date	Project Name	Country	P4R World Bank Financing (USD millions)	U.S. Vote
6/28/2012	National Initiative for Human Development (INDH) Phase II	Morocco	300	Support
6/28/2012	Results-Based Bridges Improvement Program	Nepal	2.5	Support
10/23/2012	Urban Local Government Strengthening	Tanzania	255	Support
11/1/2012	Results-Based Rural Water Supply and Sanitation	Vietnam	200	Support
11/13/2012	Road Rehabilitation and Maintenance	Uruguay	66	Support
2/28/2013	Health Millennium Development Goals Program	Ethiopia	100	Support
3/28/2013	Support to Municipal Infrastructure Development	Uganda	150	Support
7/23/2013	National Integrated Safety Net Program	Kenya	250	Support
11/14/2013	Punjab Governance Reforms for Service Delivery	Pakistan	50	Support
11/21/2013	Strengthening Service Delivery for Growth, Poverty Reduction and Environmental Sustainability in the State of Ceará	Brazil	350	Support
3/12/2014	Third Maharashtra Rural Water Supply and Sanitation Program	India	165	Support
5/2/2014	Local Government Development II Program	Ethiopia	380	Abstain
5/8/2014	Health System Quality and Efficiency Improvement Program	Croatia	103.5	Support
5/9/2014	Revenue Mobilization Program for Results: VAT Improvement Program	Bangladesh	60	Support
5/22/2014	Health Transformation Program	Moldova	30.8	Support
6/5/2014	Northern Mountains Urban Program	Vietnam	250	Support
6/6/2014	Oaxaca WSS Sector Modernization Program	Mexico	55	Support
6/24/2014	Public Financial Management for Results Program	Mozambique	50	Support
7/10/2014	Big Results in Education	Tanzania	122	Support
7/24/2014	Urban Development and Local Governance Program	Tunisia	300	Support
10/31/2014	Transformation of Agriculture Sector Program Phase 3	Rwanda	100	Support
10/31/2014	Public Sector Governance Program	Rwanda	100	Support
4/23/2015	Saving One Million Lives Initiative	Nigeria	500	Support
4/24/2015	Improving Primary Health in Rural Areas	Morocco	100	Support
3/5/2015	Inclusive Housing Finance	Egypt	500	Support

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

North American Development Bank

- 1. Please describe in detail the NADBank portfolio by project, geographic location, and financing in FY14 and to date in FY15.**

Answer:

The table below shows the NADBank outstanding loan portfolio for projects contracted in 2014 (no project was contracted in the first quarter of 2015).

Loan Portfolio (U.S. Dollars)				
March 31, 2015				
Location	Project Type*	Borrower Type**	Date Contracted	Principal Outstanding
General Bravo, NL (Ventika Wind)	ENE - W	Private	4/8/14	32,607,938
General Bravo, NL (Ventika II Wind)	ENE - W	Private	4/8/14	30,811,986
Brackettville, TX (Alamo 4 Solar)	ENE - S	Private	5/27/14	40,000,000
Tecate, BC (ESJ Wind)	ENE - W	Private	6/12/14	33,677,944
Cd. Juarez, CHIH	AQ	Public-private	6/23/14	29,394,391
Saltillo, COAH (Lorean Energy Group)	ENE - B	Private	10/2/14	2,608,099
Niland, CA (SunPeak Solar 2)	ENE - S	Private	12/16/14	41,082,613
TOTAL LOANS				210,182,971
<i>Note:</i> * AQ = Air Quality; BUI = Basic Urban Infrastructure; MP = Municipal Planning; SD = Storm Drainage; SW = Solid Waste; W = Water; WC = Water Conservation; WW = Wastewater; ENE-B = Biofuel/Biogas; ENE-EFF = Energy Efficiency; ENE-S = Solar Energy; ENE-W = Wind Energy ** M = Municipal / City; S = State; WU = Water Utility US: AZ = Arizona; CA = California; TX = Texas MX: BC = Baja California; CHIH = Chihuahua; COAH = Coahuila; NL = Nuevo Leon; SON = Sonora; TAMPS = Tamaulipas				

Table 2 shows projects funded through grant funds from the U.S. Environmental Protection Agency (EPA), administered by NADB through its Border Environment Infrastructure Fund (BEIF).

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

North American Development Bank Border Environment Infrastructure Fund (BEIF) Water and Wastewater Projects Funded with EPA Grants (As of March 31, 2015) In U.S. Dollars						
No.	Community	Project	Certification	Cost	BEIF funding Contracted	Construction Status (3-31-15)
1	Cotton Valley, TX (LVWD)	Cotton Valley Wastewater Collection Project	3-Dec-14	1,292,577	1,292,577	Under development
2	Tijuana, B.C.	Rehabilitation of the Wastewater Collection Main Lines and Residential Wastewater Connections	3-Dec-14	7,045,723	3,002,470	Under development
3	Tornillo, TX	Arsenic Treatment and Wastewater Collection Project	28-Aug-14	3,251,460	3,251,460	Under development
4	San Luis Rio Colorado, SON	Expansion of the Wastewater Collection System in Avenidas "B"	8-May-14	6,909,378	3,454,689	Under construction
5	Holtville, CA	Wastewater Treatment Plant Improvements	24-Feb-14	11,017,300	3,559,910	In bidding

- 2. What is the annual operating income earned by the NADBank, what are the overhead costs, what is the level of outstanding loans and guarantees, and what is the number of employees for fiscal years 2014 and 2015 (projected)?**

Answer:

The NADBank's operating income was \$17,994,678 in 2014 and \$6,318,557 for the first quarter of 2015. Total approved overhead costs were \$1,140,137 (8.5 percent of total operating expenses) in 2014 and \$1,260,347 (8.2 percent of total operating expenses) in 2015. NADBank has \$1.197 billion in outstanding loans and no outstanding guarantees. NADBank had 58 employees at the end of 2014 and has 59 authorized positions under its budget approved for 2015.

- 3. How much annual operating income was provided to the BECC for administrative expenses.**

Answer:

The total funding for Border Environment Cooperation Commission in 2014 was \$600,000, and is budgeted at \$750,000 for 2015.

- 4. What is the balance of the special reserve and what transactions were made from the Special Reserve in 2013 and 2014?**

Answer:

The balance of the Special Reserve was \$30 million for both 2014 and 2013. The Special Reserve, along with the General Allowance, have had balances totaling \$41.4 and \$39.5

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

million in 2014 and 2013, respectively. There have been no transactions made from the Special Reserve.

The maintenance of these types of reserves to cover potential losses in loans is in keeping with best practices in the financial institution sector. The existence of these reserves has been seen favorably by the rating agencies.

5. What are the unobligated and unexpended balances of the NADBank's Community Adjustment and Investment Program (CAIP)?

Answer:

The current unobligated balance of the CAIP is \$219,239.

6. How many employees are paid for out of CAIP funding?

Answer:

The CAIP budget covers 1 full-time equivalent employee.

7. Please provide a detailed list of all CAIP funding projects in FY2014, if any.

Answer:

In 2014, the CAIP approved five grants totaling \$ 850,000.00. Grants are listed below.

Awardee	State	Amount of Grant Award	Grant Time Period
International Sonoran Desert Alliance	AZ	\$ 100,000.00	2 Years
California Community Economic Development Association	CA	\$ 100,000.00	1 Year
Brownsville Economic Development Corporation	TX	\$ 300,000.00	1.5 Years
Industrial Development Authority of Halifax County, VA	VA	\$ 100,000.00	2 Years
Patrick Henry Community College	VA	\$ 250,000.00	2 Years

8. What are all the specific reasons that the NADBank was downgraded by the credit rating agencies? How much of this downgrade was due to NADBank's shift to finance renewable energy projects?

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Answer:

In recent years, credit rating agencies have changed their standardized methodologies as they relate to multilateral development institutions. These new methodologies have, to an extent, disproportionately affected NADBank, given its geographic and sector specific mandate limitations.

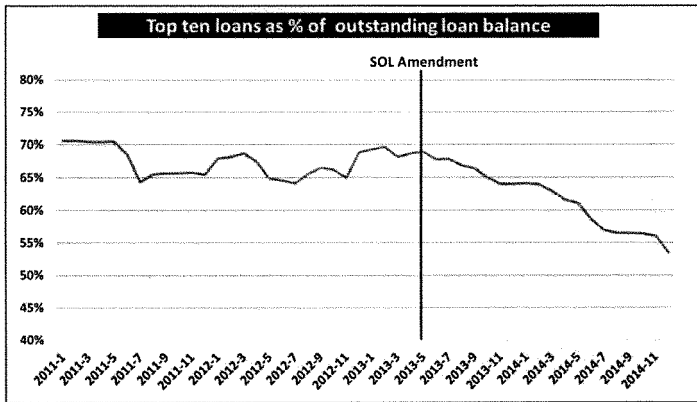
In 2012, Standard and Poor's (S&P) lowered NADBank's rating by three steps from AA+ to A+. The primary reason, implied by S&P in its report, was uncertainty regarding the U.S. Government's commitment and ability to honor a call on capital; accordingly, S&P rated the NADBank as a stand-alone entity and discounted any value to the callable capital. NADBank has opted to no longer use S&P for credit ratings.

In the case of Moody's, NADBank was initially rated Aaa but downgraded to Aa1 in February 2014. This rating has since been affirmed with a stable outlook in October 2014, and again on May 20, 2015.

In the rating of NADBank, two factors of the stand-alone position played an important role on the downgrade: capital adequacy levels, and concentration risk. Specifically:

- NADBank is considered highly concentrated due to its mandate to operate in only two countries (United States and Mexico), only one region (North America), and environmental sectors. As these factors will remain constant and are weighted together, NADBank will consistently be considered as having high concentration risk.
- The weighted average borrower rating affected NADBank's rating. Unlike the larger multinational development banks, NADBank does not lend to sovereign governments, but to smaller local governments and the private sector that rating agencies consider riskier.
- The NADBank's relatively few years of lending resulted in portfolio concentration, with the top 10 loans representing a larger percentage of the total outstanding portfolio than at the larger, more established multilateral development banks. This concentration is diminishing over time, as shown below, in part due to the implementation of a tightened Single Obligor Limit (SOL) amendment in May 2013 and lower participation levels in co-financed projects.

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*



- As the NADBank's lending began in earnest over the last five years due to higher demand for its loans across a variety of eligible sectors, its capital adequacy position has naturally decreased. The ratio of usable equity to loans outstanding declined from an extraordinary level of 434.9 percent in 2006 to 51.3 percent in 2013, which is comparable with other AA-rated development finance institutions.

NADBank's financing of renewable energy projects has never been cited as a factor in its credit ratings. NADBank's lending in the renewable energy sector does not include lending for technology development or manufacturing, but rather is limited to construction of power generation facilities operating under secure, long-term contracts for the sale of power with creditworthy off-takers.

- 9. Will the authorization language that is needed to re-capitalize the NADBank require a change to the NAFTA treaty?**

Answer:

No.

Green Climate Fund

- 1. What is the expected annual budget for the Secretariat of the Green Climate Fund and how will funds be contributed?**

Answer:

The planned administrative budget of the GCF in 2015 is \$19 million. It is funded out of the GCF's general resources. The majority of this budget (~63%) is for salaries and

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

compensation, the next largest category of expenses (~21%) is for operational support, such as information technology services. The share of expenses reflects the in-kind support from the Republic of Korea that covers office space.

2. What is the source of funds for the establishment of the Green Climate Fund Secretariat?

Answer:

To establish the GCF Secretariat, funds were provided by various countries from 2012-2014. The largest volumes of direct funds for establishment came from the UK, Sweden, Germany, and the Republic of Korea. As host country, the Republic of Korea also provided and continues to provide in-kind support, such as providing office space. The United States did not provide any support for establishment of the GCF Secretariat.

Debt Restructuring

1. What are the unobligated and unexpended balances in the Debt Restructuring account at the end of fiscal year 2014?

Answer:

Unobligated funds as of 9/30/2014 = \$874,383:
 \$674,383 (no-year appropriation) – HIPC
 \$200,000 (2013/2014 appropriation) –TFCA

Unpaid obligations as of 9/30/2014 = \$41,682,903

2. Please list the source of funding (i.e., year of appropriation) for all unobligated balances.

Answer:

No-year HIPC funds of \$674,383 remained unobligated and unexpended at the end of FY 2014. HIPC funds were appropriated in FY 2002. FY 2013 TFCA funds of \$200,000 remained unobligated and unexpended at the end of FY 2014. These funds have now expired.

International Finance Corporation (IFC)

1. Please describe the latest measures taken by the IFC to implement the IFC Sustainability Framework.

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Answer:

Since 2012, when the revised Sustainability Framework was approved by the Board, the IFC has implemented a multi-year Implementation Action Plan to address implementation challenges, and developing partnerships on the ground for implementation. Over the past 12 months the IFC has made significant progress in its work, particularly on enhanced due diligence, intensified client supervision, and support, and region-based portfolio management. The IFC is continuing to add resources to its Environment, Social, and Governance (ESG) Department, hiring 10 new environment and social specialists in the current fiscal year. As the IFC's business grows in fragile and conflict affected situations, the IFC will deepen its enhanced Environmental and Social client support and knowledge of the risks the private sector faces in these contexts.

- 2. What was the 2014 level of financing provided by the IFC to private equity funds and for what purpose? Please be specific and descriptive.**

Answer:

In FY 2014, IFC invested a total of \$452 million in 24 private equity funds. IFC continued its strategy of selectively utilizing private equity as an instrument for promoting economic growth, by providing capital in emerging markets where such capital is typically scarce. Private equity is a commonly used tool for promoting leverage in IFC's investments. It is used to support small and medium enterprises (SMEs), invest in growing mid-size companies, and focus on key sectors, such as renewable energy and healthcare.

As a recent example, in 2014 the IFC invested \$25 million in a private equity fund that uses environmental, social, and governance factors to influence its assessments of risk, valuation, profitability and, opportunity. The fund helps to take the latest renewable energy technologies from the United States and Europe to new markets in Latin America and Southeast Asia. It has provided critical early-stage support to enterprises that are expanding residential and small business access to solar energy in developing countries.

Treasury Technical Assistance

- 1. Please provide a list of all sources of funding for the program in 2014, estimated for 2015 and projected for 2016.**

Answer:

The Office of Technical Assistance (OTA) receives funding from a direct appropriation – Treasury International Affairs Technical Assistance or TIATA – as well as transfers, primarily from other USG agencies, such as the Department of State and USAID. TIATA is the single largest resource available to OTA for pursuing its mission. The direct appropriation is critical to the sustainability and ultimate success of Treasury's technical assistance program, particularly as the level of transfers from other agencies has declined in recent years. For example, in FY 2014), funding received by OTA through

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

interagency transfers declined by 30 percent compared to the average level of funds received in the preceding four years. Annex 1 (provided on next page) provides detail on all of OTA's sources of funding, including funding received by the program during the period FY 2011 to FY 2014 as well as estimates for FY 2015 and FY 2016.

Ukraine

- 1. Please explain the President's request of \$275M for fiscal year 2016 for loan guarantees to Ukraine. How much of a loan guarantee will that subsidize in FY16?**

Answer:

If Ukraine continues making concrete progress on its reform agenda and if conditions warrant, the U.S. Administration will also be willing, working with Congress, to consider providing an additional \$1 billion loan guarantee in FY2016. The FY 2016 Budget requests \$275 million in State Department Economic Support Funds/Overseas Contingency Operations (ESF-OCO), but the exact terms and conditions (which inform the final cost) have yet to be determined.

Annex -- Direct Appropriations and Funds Transferred to GTA - by Source and Country																
Source	Country	FY 2011 Actual			FY 2012 Actual			FY 2013 Actual			FY 2014 Actual			FY 2016 Est.		
		Amount	% of Total		Amount	% of Total		Amount	% of Total		Amount	% of Total		Amount	% of Total	
Direct Appropriations	Global	\$25,448,002	57.2%		\$25,448,000	58.0%		\$24,160,141	61.4%		\$23,500,000	62.4%		\$28,000,000	58.3%	
	Global	\$1,552,000	3.5%		\$1,552,000	3.5%		\$1,473,829	3.7%		\$0	0.0%		\$0	0.0%	
	Subtotal, Direct Appropriations	\$26,999,999	60.7%		\$26,999,999	61.5%		\$25,633,970	65.1%		\$23,500,000	62.4%		\$28,000,000	58.3%	
Transfers	Iraq	\$1,972,100	4.4%		\$1,300,000	3.0%		\$4,700,000	12.0%		\$0	0.0%		\$0	0.0%	
	Jordan	\$5,428,000	20.1%		\$5,428,000	12.5%		\$5,428,000	14.0%		\$0	0.0%		\$0	0.0%	
	Indonesia	\$0	0.0%		\$0	0.0%		\$450,000	1.1%		\$0	0.0%		\$0	0.0%	
	Ukraine	\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%	
	Subtotal, ESF	\$7,600,100	17.8%		\$1,300,000	3.0%		\$7,178,000	18.1%		\$0	0.0%		\$0	0.0%	
	MENA02	\$0	0.0%		\$26,212	0.6%		\$727,567	1.9%		\$312,366	0.8%		\$320,898	0.8%	
	Tunisia	\$0	0.0%		\$700,000	1.6%		\$0	0.0%		\$0	0.0%		\$0	0.0%	
	Libya	\$0	0.0%		\$593,000	0.9%		\$0	0.0%		\$0	0.0%		\$0	0.0%	
	Yemen and Somalia	\$0	0.0%		\$0	0.0%		\$1,834,801	4.2%		\$1,941,342	5.2%		\$2,243,784	5.6%	
	Subtotal, Assistance for Europe, Eurasia and Central Asia (AEECA/ESF)	\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%	
State Fiscal Transparency	Malawi and Gabon	\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%	
	Guinea	\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%	
	Senegal	\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%	
	Subtotal, State Fiscal Transparency	\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%	
	Subtotal, Bureau of International Narcotics and Law Enforcement Affairs (INL)	\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%	
Bureau of International Narcotics and Law Enforcement Affairs (INL)	Pathways to Prosperity	\$850,000	1.5%		\$4,895,681	11.2%		\$109,706	0.3%		\$4,019,701	10.7%		\$0	0.0%	
	Central America (fin. inclusion, nt. finance)	\$1,230,000	2.8%		\$0	0.0%		\$820,000	1.6%		\$0	0.0%		\$0	0.0%	
	USAID															
	Financial Crisis Rapid Response - Global	\$219,937	0.5%		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%	
	Domestic Resource Mobilization	\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$100,000	0.3%	
	Fiscal Transparency	\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%	
	Other	\$2,154,625	4.7%		\$2,399,464	5.5%		\$2,257,183	5.7%		\$4,170,000	11.1%		\$3,126,580	7.2%	
	Subtotal, USAID	\$2,374,562	5.2%		\$2,399,464	5.5%		\$2,257,183	5.7%		\$4,170,000	11.1%		\$4,726,960	11.5%	
	Millennium Challenge Corporation															
	Ghana	\$41,082	0.1%		\$26,000	0.1%		\$0	0.0%		\$0	0.0%		\$0	0.0%	
Philippines	\$0	0.0%		\$0	0.0%		\$0	0.0%		\$2,928,169	7.4%		\$0	0.0%		
Guatemala	\$0	0.0%		\$0	0.0%		\$250,000	0.6%		\$212,523	0.5%		\$0	0.0%		
Subtotal, MCC	\$41,082	0.1%		\$26,000	0.1%		\$250,000	0.6%		\$3,140,692	8.3%		\$0	0.0%		
Center for Disease Control																
Cambodia		\$0	0.0%		\$34,623	0.1%		\$50,000	0.1%		\$0	0.0%		\$0	0.0%	
Counterpart Government																
Honduras		\$12,723	0.3%		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$0	0.0%	
Kenya		\$0	0.0%		\$0	0.0%		\$0	0.0%		\$172,437	0.5%		\$0	0.0%	
EIRD																
		\$0	0.0%		\$0	0.0%		\$287,314	0.7%		\$0	0.0%		\$0	0.0%	
Subtotal, Transfers		\$19,640,881	45.3%		\$18,870,000	43.8%		\$13,864,031	34.9%		\$14,188,838	37.0%		\$13,221,160	32.1%	
Grand Total		\$44,489,883	100.0%		\$43,870,000	100.0%		\$39,316,101	100.0%		\$37,685,598	100.0%		\$41,221,160	100.0%	
Note: ** FY16 TIATA reflects amount requested in President's Budget.																

Note: FY18 IATA reflects amount requested in President's Budget.

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Questions for the Record Submitted by Representative Crenshaw

Secretary Lew, I have seen microfinance and micro-savings groups in developing countries and the ability that these programs have to lift families out of extreme poverty, especially when combined with other needed programs, like vaccinations and education. About 2.5 billion people in this world lack access to formal financial institutions. I know that the way implementers do these programs has evolved recently, incorporating technology like mobile phones. US banking regulations set the standard for the rest of the world and US regulations like “Know Your Customer” laws, although necessary, can place onerous obstacles on the relationship between banks and customers in poor, rural, developing countries, where forms of ID might not even exist.

1. What are you doing in your role as a member of intergovernmental financial bodies, like the G8 or the Financial Action Task Force, to promote responsible, sustainable, inclusive financial markets? To ensure that our laws on anti-terrorism and money laundering are upheld, but that they don’t inadvertently exclude the most vulnerable and in-need of financial inclusion? How can we balance these two US priorities?

Answer:

Financial inclusion is a high priority for the Treasury. Not only is financial inclusion an important goal, but also it is increasingly recognized that financial *exclusion* can be a factor in preventing countries from reaching their full economic potential. Treasury views financial inclusion and combatting money laundering and the financing of terrorism as complementary policy objectives.

One specific area that Treasury is prioritizing is work on financial inclusion, powered by new technologies that promise to enable hundreds of millions of people to access financial services for the first time. New technologies are rapidly changing the face of financial services across the globe, allowing the financial sector to reach more people in more remote places and at a lower delivery cost. Technology also offers the prospect of more convenient, tailored, and responsive services, offered by a variety of financial service providers. Technology-based channels like ATMs, online banking, mobile points of sale (mPOS), credit and debit cards, and non-bank money transfer agents have created many more consumer access points than the traditional branch-based banking. Newer technology-supported products, including prepaid cards and the growing use of mobile phones and other devices for payments are penetrating global markets, especially in developing countries that do not have well-developed “brick and mortar” banking infrastructure outside the capital cities.

Internationally, Treasury is regularly engaged with policymakers and regulators around the world, as well as with global actors such as the G20 and the Financial Action Task Force (FATF), to promote strong and stable financial services markets in both developed and emerging countries, through policy and technical support.

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Some of the specific global activities we are working on include the following:

- Treasury is a leading member of the G-20 Global Partnership for Financial Inclusion (GPFI), where we are working with our global counterparts to ensure safe, supportive, and enabling policy environments for financial services. We work with the GPFI and implementing partners the Better Than Cash Alliance (BTCA), the Consultative Group to Assist the Poor (CGAP), the Alliance for Financial Inclusion (AFI), and the International Fund for Agricultural Development (IFAD), along with the G20 Sherpas and Finance Ministry channels, on the issues of technology-enabled financial inclusion, both through the GPFI and Development Working Group memberships and within the GPFI Sub-Groups:
 - Within the Markets & Payments System Sub-Group, Treasury advocated for the GPFI to conduct a global survey to collect more comprehensive information and data from banks, money services businesses (MSBs), and G20 governments on the scope and drivers of de-risking. Treasury worked with the World Bank to design the survey, and we will assist in analyzing the results, which are expected this summer. The findings will help us better understand the potential impact of account closures on MSBs and the people they serve, thereby helping us move toward identifying possible remedies that balance financial inclusion and AML/CFT priorities.
 - Within the Markets & Payments System Sub-Group, Treasury has submitted the Treasury-authored deliverable for the G-20 on country plans for technology-enabled financial inclusion.
 - As co-chair of the Financial Consumer Protection and Financial Literacy Sub-Group, Treasury pushes for greater financial education, transparency and disclosure guidelines, particularly for new financial services aimed at traditionally excluded and underserved groups.
 - Within the Regulations and Standard-Setting Bodies Sub-Group, Treasury is contributing to drafting the updated Guidance Paper on Financial Inclusion and the BCBS Core Principles for Effective Banking Supervision.
 - G20 Leaders endorsed a U.S. proposal to accelerate progress on the G20 Plan to Facilitate Remittance Flows by asking G20 members to develop their own country plans to enhance migrants' access to less costly remittance services and advance financial inclusion. Treasury drew up a selected list of policy actions that countries could take to reduce remittance costs by strengthening remittance markets, facilitating competition, and improving consumer protection and transparency. G-20 countries currently are preparing their country remittance plans, with a target to deliver these plans to G-20 Sherpas in early October 2015.

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

- Treasury also leads the FATF policy work to provide guidance around the risk-based approach to financial inclusion and new payments services, and develop specific examples of tiered-KYC solutions that help address policy objectives around both financial inclusion and AML/CFT.
- 2. How are you and the Administrator of USAID working together to ensure that our partner countries have the right foundation and infrastructure, including appropriate regulations, to ensure access to financial institutions for the world's poor? How can we work with companies and startups that might want to enter this market of financial services for the poor, but may not be able to enter due to the regulations?**

Answer:

Treasury collaborates with other parts of the USG, especially USAID, on jointly promoting technology-enabled financial inclusion in specific targeted markets, focusing on the use of digital payments as a financial system entry point for the financially excluded.

In addition, Treasury's Office of Technical Assistance (OTA) works closely with central banks, finance ministries and other public sector financial institutions to develop financial inclusion strategies, draft laws and regulations that support financial inclusion objectives, build capacity for supervisors and regulators to oversee new service providers and reduce AML/CFT risks, modernize financial infrastructure and government payment systems, and overall strengthen the linkages between work on financial inclusion and financial sector stability. While a country's policy framework is important, implementation on the ground is where the most impact is felt, and OTA leads the way in advising governments and central banks on this important aspect.

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

Questions for the Record Submitted by Representative Lowey

Question 1 – IMF Quota Change

The IMF is an important tool for advancing our global economic strategy and ensuring global financial stability, yet the Congress has not yet acted to enact the IMF Quota Reforms agreed to at the Seoul Summit in 2010.

- **Can you explain how much in additional resources and lending capacity will be available to the IMF if quota reform is passed by the Congress?**
- **Second, could you explain why the IMF is needed as a lender of last resort in a financial crisis, and how do you answer critics who say the IMF is just bailing out private banks?**

Answer:

Following implementation of the 2010 reforms, while there will be no net change in the overall U.S. financial commitment to the IMF, the IMF itself will have approximately \$331 billion more in quota resources, twice the permanent resources currently available, and the New Arrangements to Borrow (NAB) will be correspondingly decreased by approximately \$261 billion. (Not all member countries contribute to the NAB, so the reduction in NAB will not be quite as large as the quota increase.) Because of our failure to pass quota reforms, the NAB, which is intended to be available for use in times of emergency and must be activated by the participants, has become an important source of IMF resources and has been continually activated, every six months, since April 2011. The United States has a veto over NAB activation. Currently, for every \$4 in IMF loans, \$3 comes from the NAB and only \$1 from quota resources.

The IMF is the world's first responder in times of crisis. It is the only institution with sufficient resources and the expertise to respond quickly and effectively to a crisis. Moreover, an IMF program acts as a catalyst for lending by other international organizations and countries. The IMF helps our trading partners stabilize and heal their economies. By preventing crises in other countries from spreading to the United States, the IMF protects U.S. jobs, exports, and household savings. Moreover, when needed, countries with IMF programs can pursue debt workouts with their private creditors to help put their economies on a more sustainable path, such as in the cases of Greece and Ukraine.

- **How does increasing the representation of emerging market countries at the IMF serve U.S. interests?**
 - **If the reform package were implemented, would the United States retain its seat and veto on the Executive Board?**
 - **How has U.S. inaction on the reform package impacted perceptions of U.S. leadership at the IMF?**
 - **Does the IMF encourage fiscal recklessness through its assistance?**
 - **Does the IMF only provide help to wealthy European countries?**

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

- **Will the IMF reforms benefit Russia, Brazil, China and India at the expense of the United States?**
- **How do the 2010 quota reforms help in countries undergoing conflict like Ukraine**

Answer:

As emerging market economies take on a greater role in generating global economic growth, it is natural that they take on greater leadership in global economic governance. If the United States fails to lead in reforming the IMF, these countries may seek alternative and rival institutions outside the IMF and the international system we designed.

If the reform package were implemented, the United States would retain its seat on and veto over major decisions at the IMF. In the 2010 IMF reform package, the United States successfully achieved the following negotiating priorities: an increase in the U.S. quota alongside an equivalent reduction in U.S. financial participation in the NAB, for no net change in the overall U.S. financial commitment to the IMF; and the preservation of the U.S. leadership position and veto power over major institutional and financial decisions.

Congressional inaction on quota reform has caused other IMF members to question our commitment to the institution and to the multilateral system that we helped create. As the United States has delayed approving the 2010 reforms, other countries have sought to increase their influence in the institution bilaterally, outside of the IMF's quota-based financial and governance structures in which the United States exercises its leadership role. In 2012, due to the U.S. delay, the IMF secured bilateral borrowing agreements with countries such as China, Korea, and Russia, enhancing these countries' standing and eroding U.S. influence at the IMF. Congressional approval of the 2010 reforms is necessary to reaffirm the U.S. leadership position and reinforce the IMF's central position in the global financial system, at a time when emerging economies are establishing new and parallel financial institutions.

The IMF does not encourage fiscal recklessness. IMF financing is only provided in the context of strict terms and conditions. A key feature of IMF programs is that the borrower agrees to reforms that will stabilize its finances and put it on a path to a sustainable economic framework.

The IMF provides support to countries across the globe and wealth spectrum. The IMF exists for all of its members in times of crisis, by devising programs of corrective policies and providing financing as they return their economies to sustainability. Of the three current exceptional access programs, one is for a key U.S. ally in the Middle East (Jordan), and one is for a strategically important middle income country in Eastern Europe (Ukraine).

The IMF also plays a key role in assisting low-income countries (LICs) to achieve macroeconomic stability, a necessary condition for poverty reduction and higher long-

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

term growth. The United States has been a strong advocate for enhancing the IMF's support for LICs. Since 2009, the IMF Board has taken steps to boost the IMF's concessional subsidy resources for lending to LICs. With strong U.S. leadership, in 2009 the IMF Board decided to extend interest rate relief (zero percent interest rate) on all Poverty Reduction and Growth Trust (PRGT, the facility for low-income countries) loans through the end of 2012. In 2012 and 2014, led by the United States, the IMF Board decided to extend the zero percent interest rate on PRGT loans through the end of 2016. These initiatives have helped put the PRGT on a more sustainable footing and safeguard the IMF's role in promoting macroeconomic stability, higher long-term growth, and poverty reduction in LICs. Recently the IMF has also responded to crises such as the Ebola outbreak in Africa. Since September 2014, the IMF has provided over \$310 million of emergency financial assistance in the form of highly concessional loans to Guinea, Liberia, and Sierra Leone. Additionally, in an effort led by the United States, the IMF has also provided approximately \$95 million in debt service relief to Guinea, Liberia, and Sierra Leone.

While the emerging markets will gain quota share, their increase largely comes by decreasing shares of European countries that are currently overrepresented relative to their share of the world economy. Moreover, as a result of the failure of Congress to approve the 2010 quota and governance reforms, the IMF has become reliant on the New Arrangements to Borrow (NAB) for its lending programs. Currently, for every \$4 in IMF loans, \$3 comes from the NAB and only \$1 from quota resources. The availability of NAB resources requires "activation" by an 85 percent vote of the shares of NAB participants every six months. This requirement gives Brazil, Russia, India, and China control over the NAB's resources as these countries together hold more than 15 percent of the NAB's voting power, which is enough to block NAB activation. Following the implementation of the reforms, the IMF will have permanent quota resources that do not require this periodic activation.

As the world's first responder to financial crises, the IMF helps our partners stabilize and heal their economies. The IMF is an important partner in strengthening our national interests; for example, by helping to anchor economic stability in the Middle East—in Jordan, Morocco, and Tunisia. The IMF is closely engaged in this region through analytical and technical advice, as well as through substantial financial support. The approval by the IMF's Executive Board of a \$17.1 billion two-year financial support program for Ukraine illustrates the importance of the IMF in promoting American core interests. No other entity could provide this level of financing along with essential policy advice. The IMF program is also a catalyst for unlocking over \$15 billion in bilateral and other multilateral support for Ukraine as it undertakes important reforms.

Question 2 – Iran - Possible New Sanctions

The President has said the odds of the Iran talks succeeding are 50-50, and that if they do not succeed, Iran will face more sanctions that Congress could pass in a day if needed.

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

- **If Iran cheats, backtracks, or fails to sign an acceptable long-term deal, will the Administration support more rigorous sanctions? What specific sanctions will the Administration seek from Congress?**

Answer:

The President has made absolutely clear: we will not allow Iran to acquire a nuclear weapon. If Iran cheats, backtracks or fails to enter into an acceptable deal that assures us that its nuclear program will be exclusively peaceful; the Administration is prepared to explore a range of options, including imposing more rigorous sanctions. Such sanctions could include ratcheting up measures targeting Iran's energy and financial sectors, as well as additional sectoral sanctions. We will continue to work closely with the Congress to address the threat posed by Iran's nuclear program in the weeks and months ahead.

- **In what other ways is the Administration planning to increase pressure on Iran?**
 - **Are you considering additional economic measures against Tehran?**
 - **If the current sanctions fail to stop Iran from moving ahead with trying to build a nuclear weapon, what more can the U.S. do?**

Answer:

As the President has repeatedly stated, all options remain on the table to prevent Iran from acquiring a nuclear weapon. A diplomatic resolution to this threat remains by far the most preferable option. The United States is working hard with the rest of the P5+1 to achieve a deal that will address the international community's concerns over Iran's nuclear program, and ensure that Iran's nuclear activities remain exclusively peaceful. We will only accept a good deal, one that verifiably cuts off all Iran's possible pathways to a bomb.

Until Iran takes major steps with respect to its nuclear program, the United States will maintain powerful sanctions on Iran and aggressively enforce them, as we have done throughout the Joint Plan of Action. If Iran fails to undertake adequate measures to address the international community's concerns, the United States is prepared to ramp up our sanctions.

Under a deal, only nuclear related economic and financial sanctions would be suspended if Iran took the significant nuclear steps required. Irrespective of whether a deal is reached, the broad array of sanctions that target Iran's human rights abuses, its support for terrorist groups such as Hizballah, its assistance to the Assad regime, and its destabilizing activities in Yemen and elsewhere, will remain in effect and will be vigorously enforced.

As negotiations proceed, we look forward to continuing our close partnership with the Congress.

Question 3 – Sanctions and Countering Russian Pressure

Russia's overarching foreign policy goals remain and Russian Foreign Minister Lavrov said that he considered sanctions a "threat". Sanctions are more than a threat. They are action, but an action that only works if they are done in partnership with our allies. Some countries in Western Europe continue to have significant economic equities with Russia. Do we have a coordinated international strategy on imposing sanctions against Russia? Will the type of sanctions that the Administration and the EU are pursuing have any impact on changing Russia's actions? How has Putin reacted to the sanctions levied on Russia by the United States and EU? What measures has Russia taken to retaliate against sanctions?

Answer:

Since the start of the Ukraine crisis, the United States, EU and G-7 have responded in unison to condemn Russia's illegal actions to annex Crimea and undermine the security and stability of Ukraine. We have worked in close cooperation with our partners to develop a set of aggressive sanctions intended to impose costs on Russia for its policy choices and to incentivize a diplomatic resolution to the crisis, while limiting the impact on the U.S. and global economies.

In the financial sector, our close coordination has resulted in a powerful set of measures that balance our and our partners' legitimate interest in avoiding spillover risks with the need to deliver a forceful response to Russia's destabilization of Ukraine. Together with the EU, Canada, Australia, Norway and Japan, we have targeted Russia's largest state-owned banks, including Sberbank and VTB, prohibiting dealings in new equity and new debt with a maturity of more than 30 days. Furthermore, we have imposed prohibitions on transactions in new debt of specific maturities in the Russian energy and defense sectors; the EU and our other partners have taken similar actions. The United States and EU have also placed restrictions on the exportation of certain technology and services for use in Russian frontier energy projects, and have also placed restrictions on certain military and dual-use exports. Finally, we have imposed a ban on trade in goods, technology, or services with Crimea and on new investment in Crimea, a step taken in conjunction with similar EU measures.

Our combined sanctions have imposed costs on Russia for its intervention in Ukraine. Our measures have severely hampered Russian state-owned banks' and other corporations' access to international funding markets, raising borrowing costs and making it more difficult to roll over maturing external debts, and forcing the Russian government to support sanctioned companies. The resulting loss of confidence in the Russian economy, coupled with low oil prices, has contributed to significant capital flight. In an attempt at retaliation, the Russian government has imposed a ban on food imports from the EU, United States and several other countries, which has actually hurt its own consumers by increasing prices and decreasing choice.

We remain in regular communication with our European allies to ensure that these measures are fully and consistently implemented. We also regularly discuss additional steps to respond to Russia's actions. We have made clear that sanctions could be rolled back if Russia complies with its commitments, including those under the February 2015 Minsk Implementation Plan and

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

September 2014 agreement. If, instead, Russian authorities continue their aggressive actions and violations of international law, the costs will continue to rise.

The President's FY'16 request includes \$513.5 million for Ukraine to promote economic reforms and to support a third loan guarantee for Ukraine of up to \$1 billion. Given recent events in Ukraine, is the Administration's proposed assistance for still adequate and appropriate? What is the Treasury Department doing to help Ukraine establish and maintain a robust economy? Can Ukraine survive without natural gas from Russia?

Answer:

Ukraine's government continues to demonstrate strong resolve to build a secure economic foundation and restore financial stability. Yet the country's challenges and financing needs have been exacerbated by the ongoing security conflict.

The United States has worked intensively with the IMF, World Bank, European Bank for Reconstruction and Development, European Union and others to secure the financing that Ukraine needs and to support Ukraine's reform efforts. The Administration has worked to increase the total international support package for Ukraine to \$40 billion, with much of this support to be disbursed this year. As part of this international effort, the Administration has provided Ukraine with significant financial and technical assistance, including two \$1 billion U.S. loan guarantees in May 2014 and May 2015. If Ukraine continues making concrete progress on its reform agenda and if conditions warrant, the U.S. Administration will be willing, working with Congress, to consider providing up to an additional \$1 billion loan guarantee in late 2015.

In addition to the loan guarantees, the United States has provided about \$470 million in additional assistance since the crisis began. This has included training and non-lethal equipment to Ukraine's military as well as a range of projects on anti-corruption, energy, trade, democracy building, reconstruction, and other areas.

Since March 2014, the U.S. Treasury Department has provided technical assistance throughout the crisis period in the areas of bank supervision and bank resolution, government debt and liability management, and revenue administration, and additional assistance is currently being considered. At present, Treasury provides more technical assistance to Ukraine than to any country in the world.

We will continue to work closely with the international financial institutions and our partners around the world to provide Ukraine the support it needs and enable Ukraine's people to achieve their economic aspirations. The strong backing of Congress has been a critical foundation to these efforts to support Ukraine, and we look forward to working closely together to develop the appropriate level of assistance to help Ukraine recover from the current crisis.

Ukraine's dependency on gas imports from Russia has declined and is projected to decline further. First, Ukraine has been successful in securing "reverse flow" gas from Europe, thus creating an additional import option. Second, Ukraine has taken significant steps to reduce

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

inefficient gas subsidies over the last year and a half and plans to get rid of them completely by 2017. As domestic gas prices better reflect the market cost, this will create incentives for greater energy efficiency and increased domestic gas production.

Question 4 – Environmental and Social Safeguards at the World Bank

The Fiscal Year 2015 appropriations act conditions future U.S. contributions on there being no dilution of environmental and social safeguards that are currently under review. Is the Treasury Department satisfied with the direction and progress of the review process?

Answer:

We are largely satisfied with the direction of the review process to date, recognizing the difficult task that the World Bank has undertaken. We appreciate that the World Bank has embarked on its first ever comprehensive review of the environmental and social safeguards and welcome its efforts to improve the safeguards in response to a 2010 evaluation by the World Bank's Independent Evaluation Group. The first draft of the World Bank's Environmental and Social Framework (ESF) contains a number of improvements over the current safeguards, including introducing new protections for vulnerable and disadvantaged groups, strengthening social impact assessments, and including new issues, such as climate change. The second draft of the ESF, which we received in June, includes additional improvements in a number of areas, as well as a more detailed implementation plan and a section on procedures.

We are continuing to engage with the World Bank and other shareholders on important questions in this review, including urging the World Bank to enhance its funding and staffing for the implementation of the safeguards, gaining greater clarity about when local safeguards can be used, and delivering a robust third phase of consultations on the ESF.

- **Given that more of World Bank loans are being implemented by local governments, is the goal to rely more on local safeguard policies? Do local policies meet international norms and standards for evaluating and enforcing environmental and social protections?**

Answer:

All World Bank loans are already implemented by borrowing governments under World Bank supervision and using World Bank safeguards. However, there is an increasing demand from borrowing governments to use their own environmental and social safeguards in World Bank supervised projects. The increased use of country systems over time, when a country has appropriate technical capacity and a good track record of implementation, is a core tenet of development effectiveness. The World Bank's effort to propose a new, more effective approach to the greater use of borrowers' environmental and social safeguards is in line with good global practice. Strengthening borrower environmental and social safeguards provides an opportunity for the World Bank to have positive development impacts beyond the individual projects it finances.

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

The use of borrower environmental and social frameworks provides opportunities, but also poses risks and challenges. At this point, many borrower governments need additional support and capacity development in order to meet the high standards of the World Bank. The World Bank needs to make a careful, gradual, and long-term commitment to continue helping borrowers achieve their objectives, as well as to prepare and resource World Bank staff adequately to provide such support to borrowers.

- **I understand that the current safeguard policy excludes development policy loans – a growing part of the World Bank’s lending. What is the United States’ position on when these safeguards should be applied? What percentage of lending is proposed to be covered by these safeguards?**

Answer:

The World Bank’s environmental and social safeguards were designed for, and apply to, Investment Lending projects (e.g. bridges, health centers, road projects) as opposed to Development Policy Lending (e.g. budget support loans). Development Policy Loans (DPLs) are subject to a separate World Bank policy that includes a requirement for assessing the potential environmental and social impacts of DPLs. We believe that the DPLs should be subject to appropriate environmental and social protections. We advocated for including DPLs in the World Bank’s ongoing safeguards review process. Unfortunately, we were unable to convince either World Bank Management or any other shareholders that DPLs should be included in the safeguards review process. However, we have secured commitments from the World Bank’s Independent Evaluation Group (IEG) and World Bank Management to conduct reviews of how environmental and social impacts are assessed and mitigated in DPLs, with these reviews underway.

If adopted, the new Environmental and Social Safeguards (ESF), if adopted, will continue to apply only to Investment Lending projects. While the World Bank does not have a target for Investment Lending, Development Policy Lending, or Program-for-Results, Investment Lending has traditionally accounted for approximately two-thirds of the World Bank’s annual lending commitments.

- **Given that the safeguards deal with complex issues relating to involuntary resettlement and natural habitats, how can we ensure that “human risk” is as important in World Bank projects as “financial risk”?**

Answer:

The World Bank is already focused on assessing and mitigating human risk in its projects, and the current safeguards review process presents the opportunity to strengthen this focus by improving the safeguards themselves as well as their implementation. For instance, we appreciate that the first draft of the Environmental and Social Framework (ESF) strengthens the protections afforded to vulnerable groups (through the addition of a non-discrimination clause and improved social impact assessments) and covers new issues for the first time (such as the impact of climate change on the environment and humans). We believe that the World Bank can do even more, however, and can strengthen its focus on assessing and

*Questions for the Record for Secretary Jacob J. Lew
House Appropriations Subcommittee on State, Foreign Operations, and Related Programs
Hearing on the United States Department of the Treasury International Budget
Hearing held March 18, 2015*

mitigating human risk by increasing the funding and staffing that it allocates to the implementation of its safeguards. Accordingly, we are deeply engaged with the World Bank, other shareholders, and civil society organizations to advocate for these additional resources, which are critical to the effectiveness of the ESF in avoiding and addressing human risk.

TUESDAY, MARCH 24, 2015.

ASSISTANCE TO CENTRAL AMERICA

WITNESSES

ROBERTA S. JACOBSON, ASSISTANT SECRETARY OF STATE, WESTERN HEMISPHERE AFFAIRS

AMBASSADOR WILLIAM R. BROWNFIELD, ASSISTANT SECRETARY OF STATE, INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

ELIZABETH HOGAN, ACTING ASSISTANT ADMINISTRATOR, LATIN AMERICA AND THE CARIBBEAN, UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

OPENING STATEMENT BY CHAIRWOMAN GRANGER

Ms. GRANGER. The Subcommittee on State, Foreign Operations, and Related Programs will come to order.

I would like to welcome our witnesses to today's hearing: Roberta Jacobson, Assistant Secretary of State for the Western Hemisphere; William Brownfield, Assistant Secretary of State for International Narcotics Control and Law Enforcement; and Elizabeth Hogan, Acting Assistant Administrator for USAID for Latin America and the Caribbean.

Thank you all for being here.

Last summer, our country experienced a national security and humanitarian crisis of historic proportions as tens of thousands of unaccompanied minors were sent through criminal smuggling networks from Central America across Mexico into our southern border. Although the number of unaccompanied children has dropped since then, thousands more are expected to cross this year. And that is unacceptable.

At the Speaker's request, I led a working group to examine this issue and provide recommendations. I visited the Texas-Mexican border several times. I also led a delegation to Guatemala and Honduras to see where the children were coming from and why.

There are many reasons why so many families and children have made and continue to make this dangerous journey. Some of this can be explained by the administration's slow pace of deportations and insufficient focus on law enforcement at the border. The harsh conditions and lack of security in Central America also play a role. In addition, the lack of economic opportunity and high unemployment is causing people to look for other ways to survive.

The purpose of today's hearing is to discuss what the United States and other countries in the region can do to put an end to this illegal migration at its source. The United States has provided assistance to Central America for many years. We need to take a hard look at what has worked, what has not, and what changes need to be made going forward.

Last year's appropriations act increased assistance for Central America and also included support for programs to combat human trafficking and help countries repatriate and reintegrate their citizens. The administration's budget request includes one billion dollars for Central America, more than double the amount provided last year. The committee needs an explanation from our witnesses on how such a large investment will change the situation at our border.

While the United States has a role to play in helping Central America, we cannot and should not do this alone. Other countries in the region have a stake in Central America's failure or success. Our neighbor Mexico is at the front lines of combating illegal migration, and we must do all we can to help Mexico strengthen its borders.

In addition, we should also support and use the capabilities of partners in the region, such as Colombia. There are a number of lessons we can learn from Plan Colombia. Specifically, for lasting change to occur, we need a solid commitment from the partner countries themselves. These governments must be willing to make hard choices and address the needs of their own citizens.

I have met with the presidents of some of these countries and have already seen progress. For the first time, the Central American governments had come together to develop a joint plan to address shared problems in the region. Just as I believe the United States should assist those countries, so, too, should we hold the governments accountable for following through on their commitments.

I look forward to hearing from our witnesses today on how we can best address these important issues.

And I would now like to turn to my friend, Ranking Member Lowey, for her opening remarks.

OPENING STATEMENT BY MRS. LOWEY

Mrs. LOWEY. And thank you, my friend, Madam Chairwoman.

Ms. GRANGER. You are welcome.

Mrs. LOWEY. Assistant Secretary Jacobson, Assistant Secretary Brownfield, Acting Assistant Administrator Hogan, I must say it is a pleasure to see you here today and express my view that we are indeed fortunate to have people of your thoughtfulness, commitment, and intelligence serving the United States of America. And I thank you.

Last summer, a humanitarian crisis came to our doorstep, with nearly 70,000 unaccompanied minors fleeing their home as a result of the abject poverty, lack of economic opportunity, rampant criminal networks, and weak governments in Central America.

These conditions have allowed drug trafficking and other criminal enterprises to grow in size and strength aggressively, intimidating and overwhelming government institutions and threatening public security and the rule of law. In fact, Central American countries represented four of the five countries with the highest homicide rates in the world. Their economic growth lags behind that of the rest of Latin America, and 50 percent of the population lives in poverty, with underemployment hovering between 30 to 40 percent in El Salvador, Honduras, and Guatemala.

Clearly, it is in our interest to develop an integrated strategy for engagement with the countries of Central America. More must be done to invest in civil society and to provide alternative livelihoods, education, and opportunities for youth.

And while I support this effort, I have a number of questions about the policies being proposed. For example, this year's request for the region would scale up longstanding State and USAID programs in Central America. I can't help but ask: How will these programs be more effective than in the past? What makes them different? How many years of increased assistance will be necessary to successfully improve economic and security conditions? Given the history of organized corruption, do you all believe there is sufficient political will to undertake the necessary fiscal and policy reforms?

The administration's engagement with the regions' leaders at the highest levels and the efforts of Presidents and Foreign Ministers of Guatemala, Honduras, and El Salvador to consult in Washington on their alliance for prosperity in the Northern Triangle reflect a strong desire for real change and ownership of these reforms, which is critical to success.

At the same time, to what extent have civil society groups been included in these discussions? Who speaks for the marginalized, the vulnerable, and disadvantaged during these meetings? Are their human rights concerns being addressed? And who is addressing the needs of the children who have been returned to their home country and are in desperate need of rehabilitation services?

I also want to raise police and judicial reforms, which are at the core of citizen security. While enforcement by police and the military is important, security forces must institutionalize mechanisms to ensure transparency and accountability as well as respect for the rights of citizens. What commitments are the three Presidents prepared to make in terms of enhancing civilian police, providing accountability for any human rights abuses by police and military forces, and ensuring access to and credibility of independent judiciaries?

Lastly, I hope you will detail how the requests will improve our public diplomacy capabilities. Before the crisis reached its height last summer, were embassy and consulate officials aware of the aggressive and misleading marketing tactics being used by coyotes to encourage families to send their children on a dangerous journey north? What were we doing to counteract such campaigns? These just didn't appear out of the blue, and I would be particularly interested in your addressing that. I hope your efforts include a public diplomacy component that can prevail over the lies of druglords and criminals.

And I look forward to your testimonies.

Thank you.

Ms. GRANGER. Thank you, Mrs. Lowey.

I will now call on the witnesses to give their opening statements. I would encourage each of you to summarize your remarks so we leave enough time for questions and answers. Your full written statements will be placed in the record.

We will begin with Assistant Secretary Jacobson.

OPENING STATEMENT BY MS. JACOBSON

Ms. JACOBSON. Thank you very much, Madam Chairwoman, Ranking Member Lowey, and members of the committee. Thank you for the opportunity to testify today on the administration's \$1 billion whole-of-government request to support the U.S. strategy for engagement in Central America.

Central America is a top priority for the United States because important national interests are at stake. When Central America suffers, the United States absorbs the impacts of increased migration and other transnational challenges. Conversely, a well-governed, secure, and economically prosperous Central America will enhance the security and prosperity of the United States.

And I would like to submit my testimony for the record and not take much of your time before we get to your questions.

While conditions in Central America remain challenging, this region could be one of transformative change. We sense it. Central American governments sense it. And we are all driven by an urgency to act quickly but wisely and get it right.

Last summer's spike in migration was a clear signal that the serious and longstanding challenges in Central America remain and, in some instances, are worsening. But with renewed political will among the regions leaders, we are working with them to change this trend and address the underlying factors driving migration or be prepared for the tragedy to repeat itself ad infinitum with higher impact in costs on the United States.

Over the past 5 years of implementing our Central America Regional Security Initiative, we have learned a great deal about what works and what doesn't work on security in Central America, and this new request builds on that knowledge.

What we learned most of all was that, unless we focus on improving the ability of governments to deliver services efficiently with accountability and also improve economic opportunities, especially for young people, as integral parts of security, nothing we do to make things safer will be sustainable. This budget request represents a significant increase from previous years, but we know that the cost of investing now pales in comparison to addressing these challenges later.

Today the governments of this region are demonstrating the political will necessary to take the difficult decisions that can lead to systemic change. The Presidents of El Salvador, Guatemala, and Honduras have a plan. They presented the Alliance for Prosperity in November.

Since last summer, El Salvador has passed an investment stability law, giving investors assurances that tax and customs regulations will not change over the course of an investment. Guatemala has reached agreement on reparations for communities where human rights were violated by the construction of the Chixoy Dam. Honduras signed an agreement with Transparency International to make government procurement information available and invited the U.N. Office of the United Nations High Commissioner for Human Rights to the country.

We recognize that requesting additional funds from Congress will not make a difference unless these governments do more to invest

their own additional resources and advance reforms that lay the groundwork for success and enable our assistance to produce the outcomes we all intend.

During months of intensive work with these Presidents, it is clear that the notion of shared responsibility is more than a bumper sticker. We believe that each of the countries has taken and is committed to actions that will promote better business environment for investors and small business, strengthen police and judicial systems, and increase government transparency.

So we are faced with a question: Do we want to work together with our Central American partners to help them solve the problems or merely mitigate them? This request for \$1 billion is a bold step so that we can do more than mitigate.

We know that we are a long way from achieving our core goals in Central America. There is no clearer indication of this than the willingness of tens of thousands of children to travel to the United States last summer amid enormous risks.

But there is reason to be optimistic about Central America's future, and we believe now is the time for a new approach to Central America. We have a vision and a plan, and we want to work with you to support Central America and protect U.S. national security. And, as Vice President Biden says, there is no reason why Central America cannot be the next great success story in the Western Hemisphere.

Thank you, and I look forward to your questions.

Ms. GRANGER. Thank you.

BUDGET HEARING – ASSISTANCE TO CENTRAL AMERICA

TESTIMONY OF
ROBERTA S. JACOBSON
ASSISTANT SECRETARY OF STATE
BUREAU OF WESTERN HEMISPHERE AFFAIRS
U.S. DEPARTMENT OF STATE
BEFORE
THE SUBCOMMITTEE ON STATE, FOREIGN OPERATIONS, AND
RELATED PROGRAMS
HOUSE COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES
MARCH 24, 2015

Madam Chairman, Ranking Member Lowey, and Members of the Committee:

Thank you for the opportunity to testify on the Administration's \$1 billion whole of government request to support the U. S. Strategy for Engagement in Central America.

Madam Chairman, Central America is a top priority for United States because important national interests are at stake. We are united by shared interests and common values, as well as by geographical proximity. When Central America suffers, the United States absorbs the impacts of increased migration and other transnational challenges. Conversely, a well-governed, secure, and economically prosperous Central America will enhance the security and prosperity of the United States.

While conditions in Central America remain challenging, the region may be on the brink of transformative change. We sense it; Central American governments sense it; and we are all driven by an urgency to act, quickly but wisely, and get it right. Last summer's spike in migration of unaccompanied children was a clear signal that the serious and long-standing challenges in Central America remain in place and, in some instances, are worsening. But with a clear, emerging force of political will among the region's leaders, we are working closely with our Central American partners to address the underlying factors compelling

migration. Absent progress, we will likely face an ongoing cyclical phenomenon, with significant cost to the United States for many years to come.

Our U.S. Strategy for Engagement in Central America advances three interdependent objectives: security, prosperity, and governance. Our \$1 billion assistance request for Central America will fund new investments for prosperity and governance while maintaining and expanding our current focus on security, including the investments we have made through the Central America Regional Security Initiative (CARSI). Our request includes significantly expanded and new investments for the Development Assistance and Economic Support Funds accounts to advance these interdependent objectives. Our expanded bilateral and regional assistance will support efforts to better integrate Central American economies with North America and the hemisphere and provide technical assistance to strengthen the effectiveness and accountability of Central America's government institutions. Assistant Administrator Hogan will discuss those investments today. We remain firmly committed to improving security in Central America, and our request includes \$286.5 million for CARSI. Our increased security request will help host nations scale up successful, but previously more narrowly-focused, community-based law enforcement and crime prevention interventions.

At the same time that we are requesting additional funding from the U.S. Congress so that Central American countries can address the region's fundamental challenges, our own government needs to move quickly to demonstrate results and hold ourselves accountable. That means rigorously evaluating our programs, and we look forward to working closely with Congress to craft the most effective assistance package.

Today, the governments of the region are demonstrating the political will necessary to take difficult decisions that can lead to systemic change. The presidents of El Salvador, Guatemala, and Honduras, the so-called Northern Triangle countries, have a plan. They are already making progress, and they have committed themselves to a near-term timeline for continued action. The three presidents publicly presented the Alliance for Prosperity plan in November, and they are taking steps to implement it. The U.S. Strategy aligns with and supports the goals and objectives of the Alliance for Prosperity, while ensuring continued support to our region-wide goal of combating transnational organized crime.

Since last summer, the Northern Triangle governments have taken important steps. El Salvador passed an Investment Stability Law, giving investors assurances

that tax and customs regulations will not change over the course of an investment. Demonstrating willingness to resolve long-standing disputes, the Government of Guatemala reached agreement with 33 communities on reparations for communities where human rights were violated by the construction of the Chixoy dam. Honduras signed an agreement with Transparency International that includes plans to make human resources and government procurement information publicly available. And Honduras has invited the UN Office of the United Nations High Commissioner for Human Rights to observe first-hand its human rights situation.

And even as we are requesting additional funds from Congress, we are calling on Central American governments to do more – to invest their own additional resources and advance reforms that will lay the groundwork for success and enable our assistance to produce better outcomes in Central America. Vice President Biden traveled to Guatemala to meet with the presidents of El Salvador, Guatemala, and Honduras in early March. It was only the latest of his, the President's, and Secretary Kerry's engagement with these leaders. During months of intensive work with these three presidents of the Northern Triangle of Central America, it has been clear that the notion of "shared responsibility" would be much more than a bumper sticker. During the Vice President's most recent trip, the leaders released a joint statement including concrete and specific public commitments for continued progress. Each of our countries committed to actions that will promote a better business environment for investors and small business owners, strengthen police and judicial systems, increase government transparency, and make streets safer. And we did so publicly, inviting scrutiny and accountability.

We are faced with a question. Do we want to work together with our Central American partners to help them solve the problems in Central America, or merely mitigate them? The FY 2016 request for \$1 billion is the bold step we need to take so that we can do more than mitigate. We need to increase assistance levels, consistently and over time, in order to adequately address the complex challenges Central America faces. Money invested now can literally save the U.S. government millions of dollars down the road.

Our prosperity agenda for Central America fosters the integration of a regional market of 43 million people and the reduction of legal impediments that only benefit established economic elites. It will enable talented people to stay home, and create jobs and local businesses to participate in a bigger market. Economic integration is happening throughout the hemisphere and, despite its

location at the crossroads of the hemisphere, Central America risks being left behind. Economic growth should reach everyone, not just the well-connected few. Six million young people will seek to enter the labor force in the next decade.

Let me share an example from El Salvador of U.S. assistance that is advancing the prosperity agenda. Luis Francisco Cruz has only a sixth-grade education and was twice turned back at the United States border while trying to enter illegally. With the help of a USAID-backed loan targeting micro-, small-, and medium-sized enterprises – he founded Comercial Josue, a small general goods store in San Miguel. Despite challenges including extortion and the gang murder of his father, Mr. Cruz was tenacious. He grew his business into a 12-store operation that employs 130 employees. Mr. Cruz is now providing economic opportunity and the dignity of work to give young people real options beyond gangs or emigration. It is important to note that USAID did not give Mr. Cruz this loan directly, but instead worked with a local bank to encourage micro-lending and this partnership led to Mr. Cruz's loan. The distinction is important, because it tells a story of sustainability. Local banks participating in micro-lending will provide opportunities for entrepreneurs like Mr. Cruz.

Our governance agenda is really about strengthening institutions. Economic growth and security are only sustainable when the rule of law and democratic institutions flourish, and when independent civil society and the media can play their rightful roles. Citizens and investors will trust institutions once those institutions establish a pattern of transparency, accountability, and effectiveness.

Our strategy's prosperity and governance agendas are essential for success of the security agenda, which remains a core priority. We must collectively and effectively address insecurity now. Otherwise, the payoff from our other important investments will not bear fruit in the longer term.

Our security programs make a difference in the lives of people like Cindy from Guatemala. Cindy is now a young woman of 17, and she is a survivor of sexual and gender-based violence. From the age of 13, she was repeatedly raped, intimidated, and threatened by an older family member. Sadly, her story is not unique. Thousands of women are victims of sexual and gender-based violence in Guatemala alone. Thanks to the courage of local leaders and technical assistance, training, and equipment from USAID, Cindy's abuser was formally charged. Guatemala operationalized a 24-hour court for victims of sexual and gender-based violence. The court provides medical, social, and legal services all

under one roof. With increased services for victims, and more efficient legal proceedings, women like Cindy can get the justice they deserve.

You may ask whether we can effectively, quickly, and responsibly manage this request. Yes, we have engaged in government-wide planning and believe we can implement this assistance well. We do face challenges, but we have examined our support platforms and are taking practical steps to expedite the provision of U.S. assistance. We are planning for new embassy compounds for Guatemala and Honduras, and we will continue to increase staffing to speed the flow of assistance. We are streamlining and expediting contract procedures. Our Central American partners are working with us closely to remove obstacles within their control to allow them to better absorb assistance.

Let me be clear. We are still a long way from achieving our core goals in Central America. There is no clearer indication of this fact than the willingness of tens of thousands of children to travel to the United States last summer – amid the ever-present risks of rape, abuse, and death – to flee dire conditions in their home communities.

Despite serious and complex challenges, there is reason to be optimistic about Central America's future. Now is the time for a new U.S. approach to Central America that prioritizes prosperity, governance, and security. We have a vision, we have a plan, and we want to work with Congress to help Central America and protect U.S. national security. As Vice President Biden says, there's no reason why Central America can't be the next great success story in the Western Hemisphere.

I look forward to your questions.

Roberta S. Jacobson



Assistant Secretary, Bureau of Western Hemisphere Affairs

Term of Appointment: 03/30/2012 to present

Roberta S. Jacobson was sworn in as Assistant Secretary of State for Western Hemisphere Affairs on March 30, 2012. Previously Ms. Jacobson was the Acting Assistant Secretary since July 18, 2011. She served as Principal Deputy Assistant Secretary for Western Hemisphere Affairs from December 2010 until July 2011, with responsibility for regional political and economic issues, management and personnel, and regional security issues. In addition to her role as Principal Deputy Assistant Secretary, she was the senior coordinator for the Citizen Security initiatives in the Western Hemisphere. From June 2007 until that date, she was Deputy Assistant Secretary for Canada, Mexico and NAFTA issues in the Bureau. She served as Director of the Office of Mexican Affairs from December 2002. From 2000-2002, she was Deputy Chief of Mission at the US Embassy in Lima, Peru, and between 1996 and 2000, Ms. Jacobson was director of the Office of Policy Planning and Coordination in the Bureau of Western Hemisphere Affairs, covering issues such as civil-military relations, human rights, foreign assistance, and counternarcotics throughout the hemisphere. Ms. Jacobson has also served as Coordinator for Cuban Affairs within the Bureau of Western Hemisphere Affairs, executive assistant to the Assistant Secretary (1993-94), special assistant to the Assistant Secretary (1989-1992), and at the National Security Council (1988).

Ms. Jacobson holds a Masters of Arts in Law and Diplomacy from the Fletcher School of Law and Diplomacy (1986) and a Bachelor of Arts from Brown University. She also worked for the United Nations from 1982-1984 in the Center for Social Development and Humanitarian Affairs. She is the author of articles on

“The Committee for the Elimination of Discrimination Against Women” in *The United Nations and Human Rights* (Oxford University Press; 1990) and
“Liberation Theology as a Revolutionary Ideology.”

Ms. GRANGER. Assistant Secretary Brownfield, you are now recognized.

OPENING STATEMENT BY AMBASSADOR BROWNFIELD

Ambassador BROWNFIELD. Thank you very much, Madam Chairwoman, Ranking Member Lowey, members of the subcommittee. Thank you for the opportunity to appear before you today. I am honored to appear with my old friends Roberta Jacobson and Beth Hogan.

We meet today to discuss the President's strategy for Central America, but we filter that discussion through our experience last summer, when tens of thousands of Central American migrants, many of them children, arrived at our southwest border. We learned lessons. The most important was that the solution to the migration crisis is not at our border—it is in Central America—and the root causes that drive the migration north.

As Assistant Secretary Jacobson just described, the President's strategy attacks those root causes with three prongs: prosperity, governance, and security. I work the security prong, and I look forward to working with Beth on the governance prong.

We do not start this exercise from scratch. Since 2009, my bureau has provided support and assistance, generously funded by the United States Congress through CARSI, the Central America Regional Security Initiative.

There are some who suggest that after 6 years there is little to show for the effort. I do not agree. Thanks to Operations Martillo and Anvil, drug smuggling by air through Honduras is down perhaps 50 percent since 2012. Maritime drug seizures, our best measure of drug flow, have fallen 40 percent in Costa Rica and 60 percent in Panama.

Seventy-two maritime drug smugglers have come to the United States to face justice. The homicide rate in Honduras has dropped more than 20 percent from 2011. And joint border law enforcement task forces now work along the borders between Mexico, Guatemala, Honduras, and El Salvador, as well as Panama and Colombia.

I do not apologize for CARSI, Madam Chairwoman. I am proud of it.

But if we had been completely successful, we would not be here today. I have been in this business more than 36 long years, and I have learned perhaps two lessons. First, it takes years to create drug crime and security-driven crises, and it will take years to resolve them. Second, no strategy succeeds unless it addresses the fundamental problems and provides adequate resources to do the job.

The President's strategy addresses the three core challenges for Central America today. The INL request for the 2016 budget is \$205 million, 25 percent more than the amount generously appropriated by Congress for this year.

The subcommittee has a right to ask—in fact, the subcommittee has already asked—what more will you see for this 25 percent uptick.

First, much closer integration between INL and USAID programs in Central America. That is the point of the President's

strategy. The Central America problem is not one-dimensional. It is security, governance, and prosperity.

Second, we plan to pilot a new programming approach that links USAID's community programming with INL's model police precincts. We call it the place-based approach. Jointly, we identify communities, age groups, security threats, root causes, and design specific programs to address them. Initial reports from Honduras on place-based programs are promising.

Third, we will expand those CARSI programs with a successful track record—specialized and vetted units, joint task forces, police training and reform, border security, youth and gang education, drug demand and rehabilitation centers.

Members of the subcommittee, we knew when we started CARSI together in 2009 that we were in this for the long haul. We knew that we would learn from programs that worked well and others that worked poorly. We knew that we would accomplish only as much as the regional governments' political will would support.

We have delivered some results. Central America is a better place today. The United States is a safer place due to those efforts. We obviously have more work to do. I look forward to working closely with this subcommittee to get it done.

Thank you, Madam Chairwoman, and I look forward to your comments and questions.

Ms. GRANGER. Thank you.



UNITED STATES DEPARTMENT OF STATE
BUREAU OF INTERNATIONAL NARCOTICS
AND LAW ENFORCEMENT AFFAIRS

Prepared Statement of:

Ambassador William R. Brownfield
Assistant Secretary of State for
International Narcotics & Law Enforcement Affairs

Hearing Before the:

**House Appropriations Subcommittee on
State, Foreign Operations, and Related Programs**
“Assistance to Central America”

Tuesday, March 24, 2015

Chairwoman Granger, Ranking Member Lowey, and distinguished Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the Administration's Strategy for U.S. Engagement in Central America and the role of the Bureau of International Narcotics and Law Enforcement Affairs (INL) in supporting two key objectives of this strategy: security and governance.

Central America is at a critical juncture, and the United States has a unique opportunity to assist these governments in advancing historic change. While there are sound reasons to ensure continued focus on the entire region, there is special urgency regarding the situation of the three countries of the "Northern Triangle" – El Salvador, Guatemala and Honduras. The Administration has therefore created a strategy which promotes an economically-integrated region able to join the Western Hemisphere's ongoing success story of prosperity and stability, with a particular focus on the needs of the Northern Triangle, which we are supporting.

In November 2014, the Northern Triangle governments, along with the Inter-American Development Bank, presented their "Alliance for Prosperity" and committed to an unprecedented plan to jointly improve economic opportunity, governance, and public safety in their countries and improve the lives of their citizens. In March, Vice President Biden met for the fourth time in eight months with these three leaders and successfully pressed them to commit to systemic changes, with timelines, to make their plan a reality. This includes their commitments to police reform, greater transparency and effectiveness in their collection and management of government resources, and prison reform. We must take advantage of this political will. With smart foreign assistance, we can address the underlying factors of insecurity in the region in a strategic and sustained way, and help support our Central American partners achieve better governance and economic growth. Let me be clear. We cannot address security in a vacuum. Sustainable security depends also on the strength of government institutions and equitable economic growth and we are working closely with our interagency partners to implement this comprehensive plan.

A combination of economic stagnation, weak governance, and political insecurity in some countries has created a challenging context in Central America. The recent surge in migration to the United States and Mexico is just one result of the challenges this region faces. Current efforts by Central American governments, the United States, and other regional governments have not been sufficient to achieve meaningful progress in addressing these challenges. As the Administration's Strategy for U.S. Engagement in Central America outlines, absent significant progress, security will continue to deteriorate, institutions will be

unable to provide services to their citizens, millions will remain in poverty, and political instability is likely to grow. This is not just Central America's problem. The declining situation in Central America poses a threat to U.S. national security. If economic prospects remain poor and the crime rate remains high, Central America will become a source of instability for its neighbors, including the United States, in the form of illegal migration and even more entrenched organized crime in the region. We are already feeling some of these effects, and we need to act now to improve Central America's ability to address these challenges.

Experience has taught us that achieving sustainable and meaningful reform is only possible when the host government takes ownership of solving these issues. To that end, the U.S. Strategy for Central America supports the Governments of Guatemala, El Salvador and Honduras in their Alliance for Prosperity but also addresses the other countries of the region. The overriding goal of INL's assistance programs in Central America is to help these governments achieve self-sustaining progress in ensuring a legal, regulatory, and operational framework for security for their citizens. With your support we believe this comprehensive approach can play a historic role in shifting this region back onto a positive trajectory.

Nested under the U.S. Strategy for Engagement in Central America, the ongoing Central America Regional Security Initiative (CARSİ) is the primary U.S. implementation structure for United States citizen security assistance to the region. In partnership with Central American governments, State Department and U.S. Agency for International Development (USAID), as well as other departments and agencies acting in support of security and governance efforts, CARSİ establishes successful programs that will make short to medium-term sustainable impacts to reduce levels of crime and violence, build the capacity of law enforcement and rule of law institutions, and support prevention programs for youth and in communities at-risk of crime and violence.

With increased funding and additional staff dedicated to CARSİ, we will be well positioned to build on successes, increase host nation ownership of programs that will over time be transferred to their national budgets, and approach institutional reforms simultaneously from both the top down and the bottom up to advance comprehensive reform. We will do so by complementing the efforts of host nations and like-minded donors through three primary security and governance-based lines of action: 1) reducing levels of crime and violence; 2) strengthening rule of law institutions; and 3) engaging at the local level to build demand for support and accountability and address the root causes of instability.

Through these three lines of action, we plan to help host nations scale up successful niche programs to national level policies to ensure that people feel the improvements in security in their everyday lives. INL already engages along the full spectrum of the criminal justice system, supporting institutional reform at the police, justice, and corrections ministries throughout Central America. We also provide technical support on anti-corruption, transparency, and building effective institutions. To make the broadest impact possible we are increasing the reach of reforms to host nation services at the grass-roots level with local communities in order to improve security through tailored, place-based programming and to build lasting partnerships between civil society actors and government entities.

In Fiscal Year (FY) 2016 we are requesting \$205 million under the International Narcotics Control and Law Enforcement (INCLE) account for CARSİ programming. This request, a 105 percent increase compared to FY 2014, will provide INL the resources it needs to build on successful programs in the region, improve host nation ownership and ability to assume responsibility for new programs and reforms, and expand models that have proven successful to a wider geographic area. We will also embark on new projects, in coordination with our partners, that will target some of the most difficult and complex security problems facing the region. At the same time that we are requesting additional funding from the U.S. Congress to empower Central American leaders address the region's fundamental challenges, our own government needs to move quickly to demonstrate results and hold ourselves accountable. That means rigorously evaluating our programs to build on what works and eliminate what doesn't. This process is already underway, and we look forward to working closely with Congress to craft the most effective assistance package.

INL programming will focus on the expansion of successful programs such as model police precincts (MPPs), border control, police reform, anti-gang initiatives, vetted units, and justice sector training and reform. Our efforts are focused on the Northern Triangle countries of Honduras, Guatemala, and El Salvador, which receive nearly half (42%) of the FY 2016 request.

In partnership with USAID, INL is supporting a new "place-based" approach to reduce and prevent violence in the most at-risk communities in the region. Drawing upon a proven Los Angeles model for gang and homicide reduction, INL and USAID's place-based programming will work with host nation authorities at municipal and national levels to integrate community-based efforts by combining targeted youth violence prevention efforts and law enforcement interventions, to actively address those most at risk of committing crime and those

already in conflict with the law. In partnership with the Government of Honduras, INL and USAID are beginning this effort in two of the most violent neighborhoods in San Pedro Sula, with the goal of lowering homicide rates. In the coming months, INL and USAID will analyze the data we have from the Honduran neighborhoods, and then work with local governments to identify the key places and people to target for additional place-based programming in El Salvador and Guatemala.

INL will also continue to work with host nations to expand one of our most successful programs in the region, the Model Police Precincts (MPPs) program, and ensure its sustainability through adoption of key national policies and – eventually – budget support. MPPs emphasize community engagement and crime prevention through the use of intelligence gathering, targeted investigations, and community involvement. In areas where INL has established MPPs in coordination with local police authorities, we have seen an average 10 percent reduction in crime rates. In the Santa Ana municipality of El Salvador, for example, violent crime rates dropped approximately 60% between 2011 when the project began and 2013. Much of this decrease can be attributed to intelligence-led policing efforts coupled with engagement with civil society to determine that the majority of violent crimes were being committed by a small number of individuals. INL currently supports 23 MPPs in El Salvador, Guatemala, Honduras, and Belize. Due to their success in instilling trust between local police and the community and lowering neighborhood crime rates, INL plans to work with national governments to roll out MPPs throughout the region. In Guatemala, for example, the program would increase the number of operational MPP's from the 8 we have currently to approximately 100 by 2018 - expanding them further into some of the most challenging places in the region. In order to make these expansions sustainable, we will also work with national legislatures and relevant ministries to establish a blueprint for adoption of relevant policies and, eventually, budget support for the MPP model.

Another successful program which we hope to expand further is the Gang Resistance Education, and Training (G.R.E.A.T.) program, which sends police officers into schools to teach children and young adults life skills and the ability to resist the pressures to join gangs or engage in other risky behaviors. A longitudinal impact study for G.R.E.A.T. in Central America is scheduled for 2015. Seeing police officers as positive role models in a safe setting helps these young children build positive relationships and lasting trust with law enforcement that will transfer into the larger community over time. To date, over 100,000 young people have graduated from G.R.E.A.T. programs in Central America. School administrators

often cite improved student behavior on campus, and more often than not each graduation ceremony includes testimony from students about how the officers and the program have changed their attitudes and their view of their future.

In addition to traditional law enforcement support, we are increasingly focused on supporting wider rule of law programming to help support judicial institutions and address the ongoing problems of impunity and lack of transparency. We will increase the number of Resident Legal Advisors (RLAs) in the region to focus on reducing the impunity rates for violent offenders and ensuring adequate legal frameworks are in place to efficiently and effectively prosecute criminals. We are actively partnered with the Government of El Salvador on asset forfeiture and anti-money laundering legislation and prosecution capability. These types of reforms – laws on the books – are necessary for sustainable change.

Within corrections systems, INL provides technical assistance for critical reforms. We are developing regional models in Costa Rica and El Salvador to secure these locations more effectively and ensure that criminal enterprises are not run from inside prison walls, while allowing for rehabilitation and reintegration services that will lower recidivism rates. We also are in ongoing discussion with the Government of Honduras regarding a forthcoming prison reform law.

We are also focused on addressing gender-based and family violence, which contribute to the high rates of violence and homicide throughout Central America. INL programs, in close coordination with partners at USAID, will provide complementary assistance to address these challenges. Last year, a group of prosecutors, judges, and doctors, selected by the President of Costa Rica's Supreme Court, attended a Gender Based Violence (GBV) INL training in the United States. Upon their return, participants quickly acted on what they had learned in training. As a result, they recommended creating a specialized unit to help victims of sexual assault, launching a national campaign to promote awareness and prevention of sexual assault and domestic violence, and called for a national congress to provide train-the-trainer workshops for 450 people to combat gender-based and domestic violence.

Through continued support for law enforcement training, regional aviation, and vetted units, INL is also focused on promoting reforms to establish new relationships between police forces and the public they serve and improving the capacity of law enforcement to combat transnational organized crime. We will expand efforts to professionalize and reform police departments through modern

policing techniques, to include a focus on community policing and the use of technology such as Complaint Statistics (COMPSTAT), an electronic tool that allows police to make informed, targeted responses to crime. We also started a pilot program to expand the Honduran criminal records data base (NACMIS) to five official border checkpoints. Since November 2014, this program has led to the arrest of 34 individuals wanted for a variety of crimes and once it is connected to all Honduran border posts, we expect these results to multiply. Lastly, INL will continue to build its regional aviation platform in Central America to extend state presence to remote areas and improve capacity for law enforcement operations to address international drug trafficking and transnational organized crime.

INL support for vetted units in the region has been crucial to the removal of transnational crime leaders and organizations. INL supports vetted units in El Salvador, Honduras, Guatemala, Belize, Costa Rica, and Panama. Members of these units are often the best of the police force; officers who focus on specialized areas such as counternarcotics, violent crimes, and financial crimes. The work of these units is essential to reducing the power and influence of these sophisticated transnational criminal organizations, which are responsible for promoting much of the growth in violence and corruption of public officials in the region that undermines security and governance. Recently, these vetted units have seen notable success in taking down large transnational criminal organizations and, in some cases, extraditing their leaders to the United States. In Honduras, INL-supported vetted units are responsible for the arrests and in some cases extraditions of key members of the Los Valle drug organization, the arrest of drug kingpin Carlos Arnoldo Lobo, and the seizure of \$800 million in assets from the Los Cachiros criminal organization. In Guatemala, an INL-supported vetted unit arrested the head of the Monje Alien Smuggling Organization (MASO) along with a high-ranking corrupt police official who was enabling this organization's trafficking of vulnerable Guatemalans across the Mexican border. Collectively, vetted units also saw record seizures of over 35 metric tons of cocaine in 2014 throughout the region. With FY 2016 funding, INL plans to continue work with host government and U.S. interagency partners, to provide training, equipment, mentoring and vetting support to these units.

Chairwoman Granger, Ranking Member Lowey, and Members of the Subcommittee, we are committed to working with our neighbors in Central America to influence significant and positive change in the region. Governance and prosperity require a secure environment in which to flourish. Likewise, security will only be sustainable in an environment where democratic institutions flourish, human rights are protected, and citizens enjoy economic opportunity. We

need all three: prosperity, governance, and security. While the task at hand is incredibly challenging, INL is well-positioned to expand on our progress in the region, partner with the interagency, and work in alignment with host nations to effect systemic and positive change in Central America's security environment.

Thank you for the opportunity to discuss INL's work in Central America and our role in the ambitious action strategy for the region. I look forward to your questions.

William R. Brownfield



Assistant Secretary, Bureau of International Narcotics and Law Enforcement Affairs

Term of Appointment: 01/10/2011 to present

Ambassador Brownfield was sworn in as Assistant Secretary for International Narcotics and Law Enforcement Affairs (INL) on January 10, 2011. As Assistant Secretary for INL, he is responsible for State Department programs combating illicit drugs and organized crime, as well as support for law enforcement and rule of law. INL currently manages a portfolio of more than \$4 billion in more than 80 countries administered by 5000 employees and contractors.

Prior to his appointment, Ambassador Brownfield served as U.S. Ambassador to Colombia from 2007 to 2010. Prior to that, he served as U.S. Ambassador to Venezuela (2004-07) and U.S. Ambassador to Chile (2002-04). He has also served overseas in Venezuela, El Salvador, Argentina, Switzerland, and Panama as temporary Political Adviser to the U.S. Southern Command.

In Washington his jobs have included Deputy Assistant Secretary for Western Hemisphere Affairs, Deputy Assistant Secretary for International Narcotics and Law Enforcement, Director for Policy and Coordination in INL, Executive Assistant to the Bureau of Inter-American Affairs, Member of the Secretary's Policy Planning Staff, and Special Assistant to the Under Secretary for Political Affairs.

Ambassador Brownfield holds the personal rank of Career Ambassador, the highest rank in the U.S. Foreign Service. He has received the Secretary of State's Distinguished Service Award and the Presidential Performance Award three times. Ambassador Brownfield is a graduate of Cornell University (1974) and the

National War College (1993). He attended the University of Texas School of Law (1976-78). He speaks Spanish and French. He is a native of the State of Texas

Ms. GRANGER. Acting Assistant Administrator Hogan, you are now recognized.

OPENING STATEMENT BY MS. HOGAN

Ms. HOGAN. Madam Chairwoman, Ranking Member Lowey, members of the subcommittee, thank you for the invitation to testify today, and thank you for the committee's continuing support for USAID's work in Central America.

I am pleased to update you on our efforts to address the root causes of migration and the crisis that we saw stemming from problems in Central America last summer.

As Administrator Lenhardt testified last week, USAID's mission is to partner to end extreme poverty and promote resilient, democratic societies. In Central America, USAID assistance has improved access to health and education, created new businesses, contributed to justice reforms, improved food security, and responded to natural disasters.

However, in recent years, social development and economic growth have been stymied by a dramatic rise in crime and violence, particularly in the Northern Triangle. This insecurity is rooted in deep-seated issues of social and economic inequality, the failure of the region's governments and private sector to expand economic opportunity for vast segments of the population, and increases in gang violence and transnational crime.

We must work together to address the underlying factors that are compelling migration. As Vice President Biden said, the cost of investing now in a secure and prosperous Central America is modest compared with the cost of letting violence and poverty fester.

To that end, we have developed an interagency whole-of-government strategy that advances three interrelated objectives: security, prosperity, and governance.

The heart of USAID's security work is youth-focused crime and violence prevention. We have supported and tested a range of community-level prevention approaches in the highest crime communities in these countries. These include partnering with civil society, governments, and the private sector to create safe community spaces, expand after-school activities, provide job and life skills training for at-risk youth, build trust between police and residents, and launch community crime-prevention committees.

Last fall, the results of an independent impact evaluation confirmed that these community-level prevention programs are working. The study showed significantly fewer robberies, murders, and extortion reported in the neighborhoods where USAID is working compared to similar communities where we are not.

With additional resources under the new strategy, we are prepared to help governments of the Northern Triangle scale up what is working, particularly in the communities from which youth are migrating.

Advancing prosperity in the region requires a concerted effort by governments and the private sector to reduce persistent poverty and create an enabling economic environment that includes women, youth, and marginalized populations. USAID is working to drive economic activity throughout the Northern Triangle with pro-

grams that prepare youth to join the formal labor force and increase their incomes.

Last year, I heard from youth involved in our workforce development programs that offer these out-of-school youth from poor and dangerous neighborhoods an alternative to gang involvement or illegal migration. The success of these programs is typical of the one I visited in Guatemala, where 75 percent of graduates obtain employment, return to school, or start a business within 1 year.

The sustainability of these programs depends upon strong governance from the Northern Triangle countries. For these reasons, USAID will continue to promote government accountability, institutional checks and balances, judicial reforms, human rights protections, and increased civil society participation in the democratic process.

In El Salvador, for example, we have had success helping the government improve tax administration and thereby increase its spending on its own security programs.

Local ownership also requires partnering with the private sector to leverage resources and spur development. USAID has 16 active public-private partnerships in Central America. In the last 5 years, these partnerships have leveraged nearly \$160 million in private sector resources to complement our own investments in development. As an example, partnerships with more than 40 small and large companies in Honduras are helping us connect small-scale farmers to valuable markets.

The success of the Central America strategy requires unambiguous commitment, leadership, and ownership of the Northern Triangle governments. Fortunately, those countries are demonstrating a deepening commitment to advocate their own development goals. This political will, in combination with improved local capacity, leveraged resources, and new partnerships, will allow us to help Central American governments create a peaceful, prosperous, and integrated region and, in so doing, improve the security and prosperity of our own people.

Thank you, and I look forward to your questions.

Ms. GRANGER. Thank you.

Testimony of Elizabeth Hogan
Senior Deputy Assistant Administrator for Latin America and the Caribbean
U.S. Agency for International Development
House Appropriations Committee Foreign Operations
March 24, 2015
"Budget Hearing - Assistance to Central America"

Ms. Chairman, Ranking Member Lowey, and members of the Subcommittee:

Thank you for the invitation to testify today. I am grateful for the Committee's interest in the U.S. Agency for International Development's work in Central America and I am pleased to have this opportunity to update you on our efforts to address the root causes of the migration crisis in Central America.

As Acting Administrator Alfonso Lenhardt testified last week, USAID's mission across the globe is to partner to end extreme poverty and promote resilient, democratic societies. In Central America, USAID assistance has been an important part of this effort. For example, past programming has expanded financing for small businesses and supported macroeconomic policies to reduce inequities and improve access to quality health and education. We have seen political, social, and economic advances in countries like Costa Rica and Panama.

However, in recent years, social development and economic growth in Central America have been stymied by a dramatic rise in crime and violence—particularly in the Northern Triangle countries of El Salvador, Guatemala and Honduras. This insecurity is rooted in deep-seated issues of social and economic inequity, weak institutions of criminal justice, the failure of the region's governments and private sector to expand economic opportunity for vast segments of the population, and increases in gang violence and international crime. As these long-standing challenges in Central America worsened, we saw the consequences manifest at our border last year when more than fifty thousand unaccompanied children left their homes in Central America to make the dangerous journey to the United States.

The migration spike this past summer first and foremost required an immediate response to an urgent situation. USAID responded quickly, working with the International Organization of Migration (IOM) to upgrade reception centers in Guatemala, El Salvador, and Honduras to receive returned migrants and provide immediate care, child protection services, and onward assistance for returning families and children.

However, short-term efforts are not enough. This problem requires a more strategic and sustained effort to ensure that we don't end up dealing with an ongoing cyclical phenomenon. In order to help Central American governments create a sustainable environment in which all of its

citizens are able to survive and thrive, we must work together to address the underlying factors compelling migration.. As Vice President Biden said, “The cost of investing now in a secure and prosperous Central America is modest compared with the costs of letting violence and poverty fester.”

The Administration’s U.S. Strategy for Engagement in Central America advances three interrelated objectives: prosperity, security, and governance. Security remains a critical aspect of U.S. assistance to Central America, and the FY 2016 request increases our investments in that area, in strong coordination with State Department and other U.S. agency efforts. However to sustain that assistance, additional prosperity and governance investments are necessary. This approach aligns with the plan announced last November by the presidents of Honduras, Guatemala and El Salvador—the “Alliance for Prosperity”—which outlines those governments’ own plan for growing their economies, creating employment, and improving the life prospects of the poorest and most vulnerable citizens.

The President’s \$1 billion request reflects our shared belief that if political will exists in the region, the U.S. Government will partner with Central American governments in their efforts to become the next great success story in the Western Hemisphere, and it acknowledges that the United States and Central America need a deeper partnership than currently exists to tackle endemic poverty, insecurity, and weak governance.

With this budget request, we would be in a position to deepen the impact and widen our reach through broad-based economic growth programs that increase business, employment and educational opportunities. This support includes improving the enabling environment for businesses to invest and grow; promoting clean energy development; advancing trade and regional integration; increasing access to financing for small and medium enterprises; and increasing incomes by connecting small-scale farmers to markets through the Feed the Future initiative.

In El Salvador, USAID will continue working at both the municipal and national levels to grow the economy. At the local level, we will work with Municipal Competitiveness Committees to establish local initiatives—particularly in the communities from which people are migrating—that promote trade and economic development. At the national level, USAID will assist the Export and Investment Promotion Agency (PROESA) and the Ministry of Economy to create a more welcoming business enabling environment and improve logistics, facilities, and streamline control procedures at priority border crossings. In this way, USAID will support El Salvador in its own efforts to develop a safe, secure, and efficient trade environment, and increase economic competitiveness.

In Guatemala, our programs are geographically focused in the Western Highlands where the poorest people live. The Western Highlands Integrated Program acknowledges that achieving sustainable rural development requires parallel focus on several interrelated issues: agriculture and economic development, education, health care, nutrition, climate change, local governance, and gender equity. Currently the Integrated Program only reaches a fraction of those living in poverty. With additional resources, it would be expanded to more communities in the Western Highlands.

In Honduras, USAID is prepared to build off of our successful Feed the Future projects, which have helped increase incomes by 55% for 30,000 of the poorest families by increasing crop yields and access to markets, and promoting alternative, more productive land uses.

Economic growth should benefit everyone, and we need to work with governments to ensure that women, youth, and other marginalized populations are benefiting from increased prosperity. One successful example of targeting vulnerable populations is USAID's "*A Ganar*" program, which works with the private sector to provide basic math and reading instruction, life skills, vocational training, and internships to at-risk youth in Guatemala and Honduras. Programs like *A Ganar* are essential to preparing youth to join the formal labor force, increase their incomes, and help drive economic activity throughout the Northern Triangle countries. Last year I heard from youth participating in the Guatemala City program about how the expanded educational, training and employment opportunities available through *A Ganar* helped them be able to stay in their country. The success of the program is evidenced by the fact that 75% of graduates obtain employment, return to school, or start a business within one year.

The heart of USAID's work in Central America is youth-focused crime and violence prevention. We have supported and tested a range of community-level prevention approaches in the highest crime communities and cities in Guatemala, El Salvador, and Honduras. These include partnering with communities, civil society, governments and the private sector to create safe community spaces, expand after school activities, provide job and life skills training, build trust between police and residents, and launch community and municipal level crime prevention committees.

We have been working with the city of Los Angeles to pilot a new tool to identify and target those youth who are most at risk for gang recruitment and involvement in criminal activity. We're also organizing city-to-city exchanges so that Central American city officials can learn from the experiences of their counterparts in cities like Arlington, TX; Santa Ana CA; and Pinellas County, FL.

Last fall, the results of a three-year impact evaluation, conducted by Vanderbilt University, confirmed that these community-level prevention programs are working in El Salvador, Guatemala, Honduras, and Panama. At the three-year mark, there were significantly fewer reported robberies, murders, and extortion in neighborhoods with a USAID presence as

compared to the control group of similar communities. Residents also reported feeling more secure walking alone at night and they took measurably more collective action to address crime in the treatment than in the control groups.

The Vanderbilt study noted that to have greater impact, USAID's programs must be expanded to more communities and reach more people. With additional resources, we are prepared to do just that—help the governments of the Northern Triangle scale up and make sustainable budget commitments to continue what is working, particularly in the communities from which youth are migrating.

As part of the scaling up, USAID and INL, in partnership with national governments and other key stakeholders, are joining the prevention, law enforcement, and justice support programs in the same high-crime communities from which youth are migrating, and focusing attention on the individuals most at risk for falling into lives of crime. The aim is that by working in concert in the same places we will more effectively reduce youth-related crime, violence and homicides.

We know that economic growth and security are only sustainable in an environment where democratic values and institutions flourish, impunity is reduced and civil society and the media can play their rightful roles. Long-term success depends upon strong governance from the Northern Triangle countries. For that reason, USAID will continue to promote government accountability, institutional checks and balances, judicial reforms, human rights protections, and increased civil society participation in the democratic process.

In El Salvador, for example, we have had success helping the government improve tax administration and public expenditure management. With the improved tax collection, governments are able to increase spending on their own citizen security-related and other programs.

Ultimately, improved governance allows us to accomplish another goal: implementing a new, more modern, approach to development that emphasizes local ownership and leverages private sector resources. USAID has been at the forefront of a new approach to development—one that marshals the resources, expertise, innovation, and technology of local organizations and the private sector to accelerate the region's development.

For the past two years, one-third of our budget in El Salvador was programmed through local partners. In Guatemala, USAID is working hand-in-hand with the Ministry of Education to strengthen bi-lingual education and reading across the country. In addition, our \$42 million Rural Value Chains Project is implemented exclusively and successfully by local partners AGEXPORT and ANACAFE.

Local ownership also requires partnering at the community level to achieve the development goals set by the communities themselves. Particularly in Guatemala, we work directly with

indigenous leaders to ensure the relevance and sustainability of our interventions in reaching community development goals.

The region's private sector is starting to see that development is good for business. USAID has 16 active public-private partnerships in Central America. In the last five years, those partnerships have leveraged nearly \$160 million in private sector resources to complement our own investments in development.

Partnerships with more than 40 small and large companies in Honduras are helping us connect small-scale farmers to valuable markets. For example, coffee exporter Bon Café is purchasing coffee directly from our Feed the Future farmers, generating over \$1 million in sales. And more than 100 private entities, including Tigo, Chevron, Hanes Brands, and Microsoft are investing in the expansion of educational, training, and employment opportunities for at-risk youth.

USAID developed public-private partnerships in El Salvador with private companies to provide internet, software, technical support, and training to 114 youth outreach centers, a contribution valued at \$3.1 million that has directly benefitted 50,000 at-risk children and youth.

We will only be successful if we have the commitment of partner governments, the private sector, and the citizens of this region to take on these tough challenges. We need a commitment from Central American governments to take over successful programs, invest in them, and ensure sustainability. In order to truly address the underlying causes of poverty, delivery of services in the social sector must improve. Economic growth is not about economics alone; it must be used by governments to provide the social services necessary to lift people out of poverty.

Fortunately, we believe the essential condition for finding solutions is increasingly present: political will in the region. As Vice President Biden has said, "if the political will exists, there is no reason Central America cannot become the next great success story of the Western Hemisphere."

We have never been better positioned for success. The Northern Triangle countries are demonstrating a deepening commitment to advancing their own development goals. This political will, in combination with improved local capacity, leveraged resources, and new partnerships will allow us to help Central American governments create a peaceful, prosperous and integrated region. Achieving these goals advances USAID's core mission—and improves the security and prosperity of our own people.

Thank you for your time. I look forward to your questions.

ELIZABETH (BETH) HOGAN



Senior Deputy Assistant Administrator

Elizabeth (Beth) Hogan is the Acting Assistant Administrator for the Latin America and Caribbean Bureau (LAC), while also serving as the Senior Deputy Assistant Administrator (S/DAA) for LAC. Her responsibilities include oversight of USAID's programs, policies, strategic planning and personnel throughout the region that includes 11 bilateral field Missions, 3 regional Missions and 2 "non presence" country programs. Prior to assuming her role as Senior DAA for LAC, Ms. Hogan served as the Director of the Haiti Task Team, which was created in the aftermath of the 2010 earthquake to provide programmatic and policy support to the USAID Mission in Haiti and serve as the lead communications link between USAID and U.S. audiences.

Ms. Hogan is a member of the Senior Foreign Service with over 30 years of development experience gained from assignments in Latin America (Guatemala and Jamaica), Africa (South Africa) and Asia (India). Ms. Hogan also served as the Senior Development Counselor to the Ambassador to the US Permanent Mission to the United Nations in Geneva.

In addition, Ms. Hogan has held a series of domestic assignments within USAID/ Washington, including Director of South American Affairs, Executive Director of the Advisory Committee on Voluntary Foreign Aid, and Director of the "Biden-Pell" Development Education grants program. She began her development career as a Peace Corps Volunteer in Cote d'Ivoire, West Africa.

Ms. Hogan holds a Master's Degree in International Public Policy from the Johns Hopkins School of International Service and a Master's in National Security Policy from the National War College.

Ms. GRANGER. Since last summer, there have been a number of strategies. You talked about two, the first being the Alliance for Prosperity, for which the three Central American countries came together under Honduras' leadership, putting together a plan. Then, of course, the Vice President put forward a plan, his own strategy. But neither one of those plans have goals that are tied to funds to implement them.

Last year in our appropriations act, we required a strategy to target assistance to address the factors contributing to this problem, including goals, benchmarks, timelines, and a spend plan. That was due last week. So I would ask first, Secretary Jacobson, when we can expect that plan?

Ms. JACOBSON. Well, I think you are referring to the Central American migration strategy that we owe you all.

Ms. GRANGER. Right.

Ms. JACOBSON. I do know that that has been held up a little bit by the "653" report that we all owe you, and I understand that that will be coming up very shortly. So we do know that we owe that for you.

On the larger question of the commitments and the goals for these funds, what I would say is, if you look at what the Vice President talked about when he was in the region most recently and the document that came out of that, with very specific time-bound commitments, as well as some of the things the Presidents are already implementing, I think that gives us the very beginning of a roadmap. Then the leaders and the Foreign Ministers were here about a week ago to continue that work with the IDB, the Inter-American Development Bank.

So we are trying to be as precise as we can as we move forward with this request to get very specific about the commitments that they are making and that we will use these funds to support going forward.

Ms. GRANGER. Before we approve funding, we will have to have that strategy, which needs to be very specific as to if and how the Central American Presidents' plan fits into that.

The other thing that is important to me in this is where we are right now with respect to the number of unaccompanied children, and what we went through last year. According to the Department of Homeland Security, over 68,000 unaccompanied children were apprehended in the United States last year, with three-quarters of that being from Central America, and most of the rest were from Mexico.

We, the task force, visited Central America, and the first question I asked was, do you want your children back? It was a very straightforward question, and the answer would make a difference in what we would do as the United States. Their answer was: Absolutely, we want our children back. But last year the United States only returned 2,000 children—68,000 apprehended, 2,000 returned.

So now the administration is asking for one billion dollars to address the causes, but I would ask to the witnesses: Is it possible to get this under control without changes to our own laws and policies that allow those children to be quickly returned to their countries and their families?

How do you take into account that although the children were coming from Central America, they were transitting through Mexico. We returned 2,000, but Mexico returned, I think, 18,000 minors from Central America last year.

So I would say, what are we doing right now, and how can you strengthen our border and also keep that commitment we made that we would return their children?

Ms. JACOBSON. Well, I will start with some of this, and I think my colleagues may have some answers too.

I think there are things that we have to do on every level. Obviously, I think the President believes comprehensive immigration reform is part of this process, but I also think that, although we feel it is critically important to give the unaccompanied children who came last summer all of the protections they are due in this process—and that is one of the reasons that many have not been returned yet; they are going through that legal process—we did return a very large number of family units, including children and, obviously, many individual adults. And the family units we helped with the reintegration back into the countries that they came from.

Also, the total number of those that were detained by Mexico was 127,000, most from Central America, up from 89,000 the year before. So Mexico was crucial in this. And much of our work with Mexico is on their southern border. Assistant Secretary Brownfield can speak more about that.

So I think we have to be doing both. But, ultimately, so as not to have this surge repeat itself, part of that is public diplomacy, part of it is making sure the word is out about what is and is not in our laws. But part of it, also, is to try and address some of the underlying causes of why they came. Because you are right, we have to deal with those who came before, but we also have to make sure it doesn't repeat itself.

Mr. BROWNFIELD. If I might offer just another minute on top of that, Madam Chairwoman.

You raise absolutely valid points and questions. Some of them we obviously cannot answer. As you have correctly suggested, once a migrant has reached the United States of America, that person is then brought into the U.S. legal process. And adjusting that does require either changes to procedures or changes to law, and it is a broader dialogue than the three of us can offer guidance to.

However, what we are talking about in this hearing would be investments that would prevent this sort of thing from happening in the future. That is what this strategy is designed to accomplish.

You have correctly noted—and I wish to emphasize this to everyone in this room—the Government of Mexico performed exceptionally well during this crisis that we had last year on our border. Some might say they went beyond what they had ever done in the past, in terms of cooperating in this effort. I wish to acknowledge that, and I wish to state it publically and for the record.

They have asked us—

Ms. GRANGER. I was not criticizing Mexico in any way.

Ms. JACOBSON. No, no, no, no.

Mr. BROWNFIELD. No, you were not. And I just wanted to make sure—

Ms. GRANGER. That was not my question to you.

Mr. BROWNFIELD [continuing]. They heard from me. Yes.

Ms. GRANGER. That was not my question to you. My question was, should we have to change the laws? Because we sent back so few. Now these children will have been away from their families for a year and away from their countries, and I think that is something we need to address.

I will address one more thing, because you were talking about root cause us and how we resolve this. When I came to Congress, one of the first things I worked on was Plan Colombia. And Colombia is a very different place today, amazingly different. It was very difficult to do, but you have businesses that are flourishing and great tourism. But, first, they made it safe.

And as you are talking about employment and economic opportunities, companies are not going to move to a country that is one of the most violent and has the highest violence rate in the world.

I come, we all come with our different backgrounds. Mine was Fort Worth, Texas. It has been a very difficult time for Fort Worth—very high unemployment because we lost a lot of defense contracts. So, as our economy went down, our crime went up. The first thing we did was make it safe again so those businesses would flourish.

So, as we put these processes and these plans together, please don't give us a plan to fund for a billion dollars that says, first, we will offer opportunities to have business come. They are not going to do it unless it is safe.

Mrs. Lowey.

Mrs. LOWEY. Now, following up, I agree that Central American nations need support to address the root causes of unrest, but it ultimately depends on the leaders of each country to carry out substantial reforms, to raise revenues, reduce corruption, strengthen institutions, and expand educational and economic opportunities for their citizens.

Now, for those of us who have been working in this area a long time, we know how difficult it is. But we also, unfortunately, have seen very little progress in some of these countries, and most of us feel progress in these areas is essential. So let me throw out a couple of things. Maybe you can give us some hope for positive change.

To what extent are Central American nations undertaking fiscal and policy reforms? In your view, are Central American political and business elites convinced that such reforms are necessary, so much so that they are willing to even pay taxes? I would love some examples.

Conditions on assistance are always a double-edged sword. From your perspective, what are the benefits and drawbacks of Congress tying our assistance to internal reforms in Central America? Absent buy-in from the business and political elites, can the strong fiscal policies proposed in this plan succeed?

And I will throw out a couple of more, and then you can all take your turn. We know what I am getting at.

So, assuming buy-in from business and political elites exists, do you believe the reform plans will allow the countries of Central America to meet the demand for needed services as well as sustain improvements in government? And how will such policies translate into increased public trust?

How do we institutionalize the political commitment and capacity so that any progress made today extends to future political leadership?

You can take any part of that. And who wants to begin?

Ms. JACOBSON. I will start, I guess. Those are great.

I think—

Mrs. LOWEY. Not that you haven't heard them before.

Ms. JACOBSON. No, but they are exactly the right questions. And I think they really do get at the issues of, why is this different? You know, why is this night different from all other nights at this time of year?

We look at this particular moment in Central America, facing huge challenges, as different than before, frankly because of the three leaders in place right now. That is what is different. There is both a particular urgency to this crisis, in part demonstrated by last summer, but that was only the most recent, sort of, exemplar. But it also is a function of three leaders who, while ideologically very different, all have the political will to act.

And so what you have seen, for example, in Honduras, a country where a year ago I would have said it is the country I am most worried about in that region, you have seen a 21 percent increase in tax revenue because of fiscal reform and closing of the budget gap by over 3 or 4 percent of GDP. That is enormously important in 1 year—an IMF standby agreement after many years of not having one. That was really getting his hands around a huge problem. And it is only a beginning, but that demonstrated enormous political will.

I think, frankly, your question about business and economic elites is a very fundamental one. And one of the comments made about Colombia, I think, is instrumental here. The chairwoman is absolutely right; security does come first for businesses. But what we saw in Colombia and President Uribe was an agreement with the business class and the economic elite that they would join the President in focusing on security, they would be part of that answer. Bill knows that better than anybody.

We haven't seen that until recently in Central America. The business class has been slow to get on board and to back those efforts, and that is beginning to change. And the commitments that we are seeing to private sector dialogue, to commitment on investment reforms, and real conversation with both civil society for their input and the business sector also gives me great optimism that that is changing.

I think that we have also seen changes in the model of policing that Bill will talk about from old mechanisms to ones that are much more community-based and responsive to the population, a focus on women in the community as, often, heads of households when men have left.

So all of these things are an accretion of the experiences we have had in the past with Presidents who are willing to back those lessons learned based on data that I think give us a much better chance of success than before.

Ms. GRANGER. Thank you.

Ms. HOGAN. If I may, I would like to add to that in terms of what is different. I think we are different in the way we are approaching

these problems. We are approaching them in a much more integrated fashion, as Ambassador Brownfield just alluded to.

Also, because these governments are stepping forward and committing themselves to very tough policy changes that they are going to take on and new regulations that they are going to make, we are going to tie our assistance to their ability to do just that. And so we are not going to have resources lead reforms; we are going to have resources follow reforms.

If, in fact, we see countries stall or backtrack on the commitments which they have themselves committed to, we are going to come back to you and ask your concurrence to reprogram resources to those countries that are advancing and are keeping faith with the changes that they have agreed to make.

In El Salvador, we have something called a Partnership for Growth, and, in that partnership, we have something called a scorecard. It is a very public document, and it lists very specifically what donors are going to do and what the Government of El Salvador is going to do and the private sector is going to do.

And that is the kind of model that we want to replicate as we move forward in the implementation of this program so that it is very clear, not just to governments but to the citizens of those countries, that this is what their governments have committed to, and we will hold them accountable to achieving that. And if they don't, as I say, we will look at other ways of reprogramming those resources.

Mrs. LOWEY. Mr. Ambassador, do you want to add to it?

Mr. BROWNFIELD. I really have very little to add, other than to say, among the lessons that we learned in Colombia and Plan Colombia, one, as already stated, there has to be some degree of security which produces the confidence which then produces the willingness of the business community to engage and support.

Second, it requires some courage on the part of a government, because what the government is doing is changing the way that society has functioned for years, decades, in some cases centuries. And it takes a particular sort of government or an experience of having spent enough time in chaos to be willing to make that sort of decision.

Third, it takes time. And I know you have heard this from me before, but I will say it again, and I will put it in a very personal context. In 2007, I arrived in Colombia as the United States Ambassador. Plan Colombia, at that point, was closing in on 8 years of operation. The narrative, at that point, was still: There are no results. We have not succeeded. What have we gotten for our investment in Plan Colombia?

Well, we saw that in the course of the next 1 or 2 years. It had nothing to do with me; it had to do with 7 or 8 years of investment. And while no one wants to hear that, I will continue to note that we are in this Central America process for the long haul, and we are in it because it is in our national interest to focus this effort and these resources there.

Mrs. LOWEY. Thank you, Madam Chair.

Ms. GRANGER. Mr. Diaz-Balart.

Mr. DIAZ-BALART. Thank you very much, Madam Chairwoman.

Let me follow up on what Chairwoman Granger mentioned about Plan Colombia. I mean, I think everybody understands that it has been a huge success, potentially the greatest success story after the Marshall Plan. I mean, it has really been a huge success.

And, Ambassador, take some credit for it, because you were there, and I know a lot of the work that you did.

But, clearly, the foundation of Plan Colombia, as the Chairwoman stated, was security. Listen to President Uribe. He will tell you. It is security. It is security first, it is security second, it is security third.

And my concern is that I don't see that emphasis on security. And I don't disagree with what you all have talked about, that there are other components. But unless people feel secure—and I don't care how much opportunity we give, whether it is in Honduras or Guatemala, those gangs are still going to go to little girls and take them. Those gangs are still going to go to folks' families and murder them if they don't join the gangs, et cetera.

Ambassador, I agree with you. I think CARSI has done some really good things, and it is a long-term proposition. So my concern is I just don't see in this proposal, frankly, enough emphasis on that security component.

So I would just ask you, how is this different from Plan Colombia and how is it similar to Plan Colombia, particularly in the security aspect?

Ms. JACOBSON. I am going to let Bill answer in a second. Two things I would say.

One, Congressman, I would say that in Central America one of the things we have learned is, with seven countries in Central America, even with the most acute security problems being in the Northern Triangle, unless we work with all of them and ensure that they are working together, the criminal organizations exploit the national boundaries, which we and the governments have to abide by but they don't. So it is more complicated, and we have to work with all of them, unlike, obviously, in Colombia.

Mr. DIAZ-BALART. I agree.

Ms. JACOBSON. The second thing I would say is it is a fairly significant increase in the CARSI portion of this \$1 billion. It is \$286 million on what is traditionally considered security.

I would argue that, unless we do good governance, delivery of judicial systems and policing and courts and penitentiaries, all very much part of security, as well as communities that are safe and have places for kids to go, which is part of the governance and opportunity portions, that is all security. That was all done under CARSI. That has increased. So that is new and expanded in this program, as well.

Mr. BROWNFIELD. I would just add one additional point, Congressman.

I mean, you are right. Of course you are right. There is going to be no economic growth and social justice if there is not security, if you do not have—as President Uribe, who we have mentioned several times, frequently would say, until I can get state presence, until I can get police officers and prosecutors or even mayors to be living in the towns that are under threat either from narcotics traffickers, criminals, or, in the case of Colombia, from guerillas, we

are not going to be able to produce the outcomes that we are looking for.

But as Alvaro Uribe would say, we start with security. We have to get to a certain level on security; then we have to feed in the social and economic developmental part. And he would acknowledge that you start heavy on security. At some point, you reach that tipping point, and then you are able to ratchet back how much is security and how much is economic and social development.

I am not saying we are anywhere near that point in Central America today, but I do say you are correct, the same formula will apply.

Mr. DIAZ-BALART. And I don't disagree with you. And it is just that, when I look at this, I see, again, yes, there is obviously security, and I understand the security component has different aspects of it. But I just don't see enough emphasis on how to deal with these criminal enterprises. They are criminal enterprises. These are drug gangs, narco-terrorists, narcotrafficking, you know—and I just don't see enough of that. That is my concern.

So, since I have very little time, have you all been in contact with SOUTHCOM—Remember, I have SOUTHCOM in my district. How much of this has been put together, the security aspect—how much input has SOUTHCOM had? Do you all meet with them regularly?

And, then, is it their plan, is the security coming from them? Is it coming from you, Ambassador? Is it coming from you, the Department of State? How much of this is SOUTHCOM-driven?

Ms. JACOBSON. Well, certainly, Bill and I meet regularly with General Kelly. It is certainly a plan that we worked very extensively with the interagency. It was developed by the State Department but then got the input of the full interagency—Department of Justice, Homeland Security, and the Department of Defense, including SOUTHCOM.

And SOUTHCOM has a critical role in this, whether it is maritime interdiction, detection, and monitoring, and will be very active in it.

Mr. BROWNFIELD. I will be even simpler than that, Congressman. There is almost nothing that I am going to do in the region, from the INL perspective, the law enforcement and security perspective, that I don't coordinate in some way with SOUTHCOM. We are two fingers on the same hand, if you will. And there is nothing I will do that General Kelly is not in some way, shape, or form aware of.

Mr. DIAZ-BALART. And my time is up. Thank you, Madam Chairman. I just do want to emphasize that unless we do have serious security, to your point, then everything else is wasted money.

Ms. GRANGER. Mr. Serrano.

Mr. SERRANO. Thank you, Madam Chairman.

Secretary Jacobson, it is my feeling that, throughout the years, part of our dealings in Central America and anywhere south of the Texas border had at times something to do with our dealings with Cuba. It had an overflow or just a resentment on the part of some folks in those countries.

Do you think that our present—and I know this hearing is about Central America, but it becomes one neighborhood. Do you think that our negotiations now with Cuba will have a positive, negative,

or non-effect on Central America in terms of how we are seen and what we can ask of them to do?

Ms. JACOBSON. Congressman, I have said publically since the December 17 announcement that it was broadly welcomed by countries in the region, and that would include Central America and Mexico, that they supported the President's announcement and they view the policy decision as very welcome. So I think they support that and they view it positively.

But in terms of our relationship with Central America and Mexico, those relations were strong before, and they will continue as such. But they do view that very positively.

Mr. SERRANO. And, again, I know, first of all, that we are not here to talk about Cuba, necessarily, and, number two, there are things you can't tell me even if you wanted to tell me. I shouldn't say that in public because Members of Congress are supposed to know everything, but there are things you can't tell me.

I see more of a better relationship with all of Latin America, I believe, if we straighten out our situation with Cuba. So do you think that the latest sanctions we put on some on Venezuelan leaders, members of the government, because of their relationship with Cuba may hinder our negotiation with Cuba, without telling me all the things I really want to know about how those negotiations are going?

Ms. JACOBSON. Congressman, I think that the Venezuelan Government's reaction to those sanctions was predictable, in terms of their wanting that narrative to be about the United States and Venezuela, which—the problem isn't about our bilateral relationship. It is about problems within Venezuela.

But I also think that, somewhat, we expected the countries in the hemisphere do not like sanctions, and so it was not necessarily a surprise that they did not support those sanctions. But those sanctions are not against the Venezuelan people; they are not against the Venezuelan economy. They are against seven individuals.

I don't really think they are going to have an impact on the conversations we are having with Cuba, although Cuba has publically rejected that move, as well.

Mr. SERRANO. Right.

Let me just touch on one last point there, because you touched on an important point. It seems that, in both cases that I brought up, you said that, on one hand, there was wide support from Central America and other places in Latin America for the December announcement, and you told me that they don't like sanctions against any of their countries.

So, assuming we reach my dream of seeing full relations with Cuba, is Cuba in any position to play a role in making our relations with the rest of Latin America easier to deal with, or are those separate and apart from our issues with Cuba over the last 50-odd years?

Sometimes I wonder what role would Cuba play as at least someone who has—we won't call it an ally; that may shock some people—but certainly someone that we are now no longer fighting publicly.

Ms. JACOBSON. You know, I think that the influence of Cuba, in terms of our own bilateral relationships, is not one that I would

overstate. I think our relationships with most countries are direct, and they are productive in most cases. Where they are not very productive, whether it has been Venezuela recently or other countries, I am not really sure that Cuba will be a helpful country in those relationships.

I think, at this point, after the 50-year experience that we have with Cuba, we take this one step at a time. And I am not sure that I can yet view this in a broader context of them being helpful beyond just reestablishment of diplomatic relations.

We have seen—and the Colombian Government has been clear on their role in facilitating the peace process with the FARC. President Santos has said that he believes they have played a positive role there, and so we certainly take him at his word in that case. And we hope that that proves successful.

Mr. SERRANO. And one very quick, Madam Chairman, one quick question.

This is something I should know but I don't know. Are our American territories in the Caribbean, Virgin Islands and Puerto Rico, do they fall under a total different, under the American flag, situation? Or do they also get included in some of the conversations we have with the rest of Latin America?

Ms. JACOBSON. The territories are not, obviously, directly part of the State Department's responsibilities—

Mr. SERRANO. Right.

Ms. JACOBSON [continuing]. As they are not independent. But we do some coordination work, certainly, with Puerto Rico.

Mr. SERRANO. All right.

Thank you so much.

Ms. GRANGER. Thank you.

Mr. Fortenberry.

Mr. FORTENBERRY. Thank you, Madam Chair.

When you get a little older and you start to look back at your life, you think about formative moments that penetrated your conscience. And one of those for me was the killing of the four nuns and laywomen in 1981, as you all recall. I met the parents of one of the laywomen missionaries—her name was Jean—at an event in Georgetown when I was a young student, and I wanted to say something to them, but I couldn't even get out the words.

And so, when you look back as to where we were a few decades ago and where we have the potential to be, I think it does create some hope.

Now, with that said, having been in El Salvador fairly recently, and having sat next to, in their Congress, physically sat in their Congress, next to a woman who is former—landed gentry, if you would put it that way, and a woman who was a former communist guerilla, and watching them interact, work toward solutions from different perspectives philosophically, again, is very encouraging.

But you do get the sense that, because of the wounds in El Salvador, their ability to look this way, there is a hesitancy, although they look at places like Cuba and Venezuela and say, "No, thanks. Those models aren't the right fit either." So, again, another possibility for some hope.

Guatemala has a longer stabilized relationship with us, and, to a degree, Honduras. But with the highest murder rates in the

world in Honduras, with incapacity throughout that entire triangle, it becomes an important component, I agree completely, of our own immigration policy to try to work where the origins of the problem are.

Now, I thought that the bigger request here was going to focus primarily on that security component, border security component, and mutual security efforts to stop the migration and to fulfill what our chairwoman quoted last year, the First Lady of Honduras' desires, when she said, "We want our children back."

Now, I hear what you are saying in terms of some additional complexities in our own immigration law once children have arrived here. But I thought that the greater component of this, while not in any way diminishing your long-term perspective on poverty fighting, capacity enhancement—encouraging this current good trajectory of enhanced governance is all important and good—I thought the firm resolve was on that first piece because of the nature of the problem. One of you said it is the gateway now through which we are looking at all of the other issues, this surge-of-children problem.

So can you address that? Because it seems to be packaged as a priority rather than an immediate priority, to try to stop this flow and protect these children.

Ms. JACOBSON. Well, I am going to ask Bill Brownfield if he can address that because I think he, along with Beth, have been the ones who have really responded very quickly to the problem of last summer and continued to address the issues. Just today, we saw the announcement of a new border task force on the Guatemalan-Honduran border. So many of the programs we are talking about go directly to these issues, including within the \$1 billion.

Can I ask you, Bill, to elaborate?

Mr. BROWNFIELD. Let me start, and then I will pass it to Beth.

Congressman, I arrived at the U.S. Embassy in El Salvador in June–July 1981. One of the first cases that I took on—I was as junior an officer as you could be. I was a third secretary. There is nothing lower than a third secretary in an embassy—was the investigation of the churchwomen murders as well as the murders of the two AFL–CIO labor advisers.

I believe we actually got the people who did the act of murder against the four churchwomen. I do not believe we got everyone who was involved in the murders of the two labor leaders.

I mention this to you because by 1984–1985, when we finally brought these six members of the National Guard to justice in El Salvador, it shook up the system, it shook up the institutions, it shook up the nation, because, for the first time ever, people who had traditionally been part of the never-held-accountable club for what they did were being held accountable.

I give you that long preamble because, to a certain extent, and as the Ranking Member has pointed out, that is what we are trying to do with our security programs in Central America writ large today. That is to say, we are trying to get into communities and groups of people, whether they are businesspeople or whether they are the political elites or other elites, and get them to contribute to the solution, which is necessary if we are going to first break through the security problem, which, in turn, will allow Beth and

USAID to have the impact that we are all looking forward to in terms of the economic and social side of the house.

Which allows me to conclude by saying what I think we have kind of been saying for the last 30 minutes: that it is security, and it is economic development. You can't have economic development without security, but, at the end of the day, you are also not going to get long-term security if you don't have economic development.

Dr. HOGAN, over to you.

Ms. HOGAN. Well, I will just quickly say that, as I mentioned in my opening remarks, the private sector is getting engaged. We have raised \$350 million in public-private partnerships since 2013—

Mr. FORTENBERRY. Okay. Let me interject right quick, because I know my time is up. Are we going to mitigate or stop the surge of children? A new surge has just started.

Ms. HOGAN. Our intention—

Mr. FORTENBERRY. In the short term.

Ms. HOGAN. In the short term, we are mitigating. These programs will take time to have the full impact—

Mr. FORTENBERRY. And I am not disparaging the fullness of the plan. Please understand. But we have an emergency situation here, and this is a critical moment.

Ms. HOGAN. Okay. Let me just say quickly that one of the things that we did in response to the surge is we invested in helping governments develop the reception centers to be able to take back—

Mr. FORTENBERRY. Correct.

Ms. HOGAN [continuing]. These children and families. And I actually witnessed that—

Mr. FORTENBERRY. Which, in the midst of this, I touted, by the way.

Ms. HOGAN. Oh.

Mr. FORTENBERRY. And I think it would be very helpful, as you all are talking about this, to pull some of those threads out and highlight them, because it is the crisis at the moment—

Ms. HOGAN. Right.

Mr. FORTENBERRY [continuing]. While we think long term, strategically, on the underlying parts of the crisis.

Ms. HOGAN. Will do.

Mr. FORTENBERRY. Thank you.

Ms. GRANGER. Ms. Lee.

Ms. LEE. Thank you very much. Good afternoon.

Let me go back to Cuba for a minute, and I wanted to ask our Secretary a couple of things with regard to the upcoming Summit of the Americas.

Now, of course it is no secret that for many, many years I have believed that Americans should have the right to travel to Cuba, I mean, since the 1970s, you know. I just think that this now-50-plus-year policy is what exactly I thought it was then it was going to be, and it is a failed policy. So I am pleased to see the President with his historic announcement and moving toward some semblance of normal relations with an island 90 miles away.

With regard to the seventh Summit of the Americas in Panama City that is taking place next month, I would like to find out—and, Madam Secretary, I know you have led a team to Havana, what,

once or twice now—twice—to conduct the negotiations in terms of renormalizing relations. I just need a sense of an update from you with regard to lifting the caps on Cuban and U.S. diplomatic staff and on things like housing for diplomats and travel, and just where are we in terms of those negotiations.

And then, within the context of the summit, how do you see the new move toward normalizing relations impacting the Summit of the Americas?

Ms. JACOBSON. Thank you, Representative Lee.

We aren't there yet. As you know, we are hoping to be able to open embassies and reestablish diplomatic relations. That is only the first step in a much longer normalization process. But in terms of the things that we need for an embassy to run normally, having sufficient diplomats there and the ability to travel around the country, et cetera, we have not yet achieved all of the things that we need. I am still, obviously, optimistic about making progress there.

The summit is coming upon us. I don't know whether we will achieve all that we need to open embassies before the summit. We will keep working to that, but we are not going to impose an artificial deadline. This has to be done properly.

It is, obviously, the first summit in which Cuba will be present, and I think that is an important factor. It is also a summit that will have a civil society forum that will meet with the leaders for the first time. We expect independent members of civil society to be there from all countries in the hemisphere. And it is the first time that there will be an opportunity for them to be heard by leaders and create a permanent forum.

And, also, there will be conversations on civil society participation as one of the themes, as well as democracy and human rights. So we think those things are important for leaders from Cuba, Venezuela, and other countries in the region to hear, as well.

Ms. LEE. Good. Thank you. And I know many Members of Congress will be attending the summit.

Ms. JACOBSON. I hope so.

Ms. LEE. Yes. I have heard that several Members were, and some here on this committee would like to attend also.

And let me ask Dr. Hogan a couple of questions about the Caribbean as a region.

So often, the Caribbean has not been put in the proper place, in terms of our policy, in terms of our foreign assistance. And since you have responsibility for the West Indies and Caribbean, could you give us a sense of CARICOM, where we are in terms of our policy in relations and USAID toward CARICOM nations and the West Indies?

Ms. HOGAN. Certainly. I would be happy to.

In fact, we have just launched a new energy initiative with the Eastern Caribbean countries to try to help them look at ways that they can have alternative energy introduced into the grid. Of course, no island nations are safe from the impact of climate change and the frequency of increased and more turbulent storms that they get on a regular basis, so we are working with them on disaster mitigation and preparation.

We are also working with them under the Caribbean Basin Security Initiative because they, too, have seen a spike in crime and vi-

olence related to the drug trade. As it goes down in one place, it pops up higher in someplace else, and that has been the fact that we have seen in the Caribbean. And so we are working—similarly to the work that we do in CARSI, we are also doing that work in the Caribbean.

In Jamaica, as well, we have just launched a \$10 million energy initiative. We know that part of the problem for the Caribbean is that they have a very, very high cost for energy compared to the rest of the world. So anything that we can do to help them conserve energy, find alternative uses, alternative sources of energy, and bring down their energy costs will help them develop their own economies and their security.

Ms. LEE. Could you get to this committee the dollar amount in USAID going to the region, to the Caribbean region, country by country and then a total amount?

Ms. HOGAN. Certainly.

Ms. LEE. Because for many years now I have been a bit concerned about our level of USAID and what we are doing. I am glad to hear about the energy initiative. But I travel around the Caribbean, and I have seen the lack of U.S. presence. And I do know China is very active in the Caribbean, and I would like to just see what we are doing as compared to what China is doing.

Thank you.

Ms. GRANGER. Thank you.

Ms. Wasserman Schultz.

Ms. WASSERMAN SCHULTZ. Thank you, Madam Chair.

And welcome to the committee. It is a pleasure to have you join us.

I want to just ask a couple of questions, one of which relates to the situation in Argentina that doesn't appear to be getting any better to those of us who are concerned about the ongoing AMIA investigation are becoming increasingly concerned about.

Obviously, the murder, for lack of a better term, of Alberto Nisman puts quite a crimp in the opportunity to make sure that we can more specifically get to the bottom of the perpetrators. I know that the State Department had offered assistance to the Argentine judicial system. Although that appears to be in dispute, from the feedback that I have had from those who know quite a bit about the ongoing discussions.

Can you give us an update on if and how the U.S. is aiding the Argentine Government in its investigation?

Obviously, we can't interfere in their internal affairs, but the AMIA center attacks were horrific and transnational and represent a growing terrorist foothold that we obviously need to make sure that we are paying attention to.

Ms. JACOBSON. Thank you very much, Congresswoman.

And to note that it is 20 years since the AMIA attack. And I first did my graduate research on the Jewish community in Argentina, did many of my interviews in the AMIA building before it was bombed, and so it is very important to us.

We continue to call for the suspects and those involved in the AMIA bombing to be brought to justice. We think that is critically important.

In the case of pursuit of those suspects, we have always said that needs to be pursued wherever that trail leads. We were skeptical, obviously, of the MOU that the Argentine Government signed with Iran. And nothing has come out of that over a year afterwards, maybe almost a year and a half or 2 years. And in the case of Alberto Nisman, we have called for a very full and transparent investigation into his death, as well. We will continue to do so.

In terms of an offer of law enforcement support or assistance, we almost always offer such support when there has been a high-profile crime in countries. It is up to that country's government as to whether they want to take us up on that offer. But, at this point, I don't know of any U.S. involvement or activity in that investigation. And so we will continue to be ready to do anything that may be requested of us, but that is being undertaken by Argentine authorities.

But, obviously, the whole issue continues to concern us, with no judicial resolution on the matter or resolution for the victims and their families.

Ms. WASSERMAN SCHULTZ. Is there any hope, now that Alberto Nisman is deceased, given that he was found dead the day before he was to give testimony that would have shed some important light on the case, are there other avenues that we are able to pursue to get the same information or the information that he had? Or did that information die with him?

Ms. JACOBSON. Well, I think there have been a number of others both within the Argentine judicial system who have looked at his material, who are making comments about it, who are looking into the issues. There are certainly NGOs that have been active in taking up the issue. The Argentine organizations themselves, the DAIA and others, have been active.

I think that the case is certainly getting a great deal of attention and scrutiny. And we are going to maintain our monitoring and our engagement, obviously, through the Embassy and our ambassador in Argentina.

Ms. WASSERMAN SCHULTZ. Do you feel as though you are getting true cooperation from the Argentine Government to get to the actual bottom of—

Ms. JACOBSON. Well, it is not a U.S. investigation.

Ms. WASSERMAN SCHULTZ. Right.

Ms. JACOBSON. So our ability to, sort of, as you say, get to the bottom of it is not—

Ms. WASSERMAN SCHULTZ. Rather, do you feel as though the Argentine Government is fully engaged in trying to actually get to the bottom of the origin of the attack?

Ms. JACOBSON. I have to say, that is difficult for me to evaluate from where I sit. I think we will continue to call for a full investigation. We will continue to consult with Argentine authorities and, most importantly, continue to consult with the entities in Argentina who I think are most involved, whether it is the DAIA, the Memoria Organization, which is the victims organization, and try and see how they feel about the way things are going. It is an extremely difficult time in Argentina right now, and so we will try and get the best information that we can from all sources.

Ms. WASSERMAN SCHULTZ. Thank you.

I yield back.

Ms. GRANGER. Thank you.

Mr. Ruppertsberger.

Mr. RUPPERSBERGER. First, Administrator Hogan, my question is about the issue of security. Last fall, the results of a 3-year study from Vanderbilt University—are you are familiar with that study? It talked about the community-level prevention programs that are working in El Salvador, Guatemala, Honduras, and Panama.

At the 3-year mark, there were significantly fewer reported robberies and murders and extortion in neighborhoods with a USAID presence, which is great, as compared to the control group of similar communities. Now, residents also reported feeling more secure walking alone at night. And they took measurably more collective action to address crime and the treatment than in control groups. And, again, these are really good signs.

And, as we all know, a good security environment requires a lot of attention to detail, including a strong, independent judiciary, finding law enforcement that are incorruptible. And this Vanderbilt study, which is encouraging, as well, we know that crime also, though, moves to where there is opportunity and a new level.

Now, my questions are basically: In areas without a USAID presence, how are we going to make sure that the security and law enforcement puzzle piece is in place before we spend the \$1 billion on development?

Ms. HOGAN. Thank you for your question.

And you are right; we can't be everywhere. However, this proposal for a new strategy will allow us to at least scale up to a level where we think we can have national-level impact, provided that the government invests its own resources. And I am happy to say that in Honduras they have created a tax, a security tax, of which they have given us up to \$2 million thus far to open additional community centers, which replicates the USAID model.

So, going forward, we know what works, but to expand it to the level that is required, it is going to require increased investments from us, from governments, from private sector. And that is what we hope to achieve.

Mr. RUPPERSBERGER. Okay. Good.

Also, one of the points is to build trust between law enforcement and community and to develop local community crime-prevention activities. Can you go into a little detail about those programs? Are they in place now?

Or is that for Secretary Brownfield?

Mr. BROWNFIELD. Congressman, why don't I take on that one, at least—

Mr. RUPPERSBERGER. Okay.

Mr. BROWNFIELD [continuing]. To start, and then let Beth pick up on that? Because these are the sorts of programs that we in INL have been supporting for the last 5 years, particularly in Honduras, Guatemala, and El Salvador.

We have two that we attempt to link up at, kind of, the level of kids between about the ages of 12 and 18 with local law enforcement. One is called the GREAT Program, which is a gang-related program where we have trained local law enforcement who offer programs in the schools themselves of 3 to 6 weeks in duration.

And the kids, often for the first time in their lives, are actually dealing police officers but on a human basis and not on the basis of looking at someone who is the force of authority, if you will.

The second one is the DARE program, the DARE program which, by the way, we have it in the United States, as well. That is a drug abuse reduction program. Same basic concept of using local law enforcement as well as healthcare professionals to bring, kind of, drug abuse reduction skill sets to the kids.

My own view is we have hit about 200,000 in Honduras alone, to give you a sense of scale of what we are talking about. And they have at least the impact of allowing kids to have engagement with law enforcement and police in something other than a confrontational sort of situation.

This is one of the things we would hope to be able to build on, as well as, as I was describing in my statement, our place-based approach whereby Beth and USAID and we and INL combine her community programs with our model police precinct programs and focus them specifically on individual communities. That is what we are aiming for.

Mr. RUPPERSBERGER. Okay.

Let me ask you about counternarcotics policies. Do our policies interact with related foreign policy goals of anticorruption, justice-sector reform, and improving the rule of law?

Mr. BROWNFIELD. In three words, yes, yes, and yes.

This is to say, one, we cannot and will not, to the extent that we are aware of it, work with individuals or organizations that have been penetrated, that are corrupt, and that we are aware of.

Second, we do work, for the most part, with vetted units, individuals pulled from the existing law enforcement structures that are reviewed in terms of their background and then polygraphed on a regular and systematic basis.

Mr. RUPPERSBERGER. Okay. Good.

Mr. BROWNFIELD. So, at the end of the day, the answer is yes.

Mr. RUPPERSBERGER. Do international regulatory and legal constraints limit the U.S. counternarcotics policy, potentially, for drug syndicates' foreign safe havens?

Mr. BROWNFIELD. It certainly complicates it, yes. You can imagine that there are some countries in the world, perhaps even some within this hemisphere, where it is more difficult to get cooperation from them on counternarcotics and law enforcement.

Mr. RUPPERSBERGER. Let me ask my final question. What options might be available to prevent such legal safe havens from existing?

Mr. BROWNFIELD. My suggestions would be, first, international agreement or cooperation through U.N. or other organizations; second, trying to address the issue bilaterally, which is to say going at the government of those individual countries that offer the safe haven and attempting to reach some sort of agreement or accommodation; third would be using the stick as well as the carrot, and that is applying something in the way of sanctions, whether individual or collective, against those governments, those nations, or those individuals that provide the safe haven.

Mr. RUPPERSBERGER. Okay. Thanks.

I yield back.

Ms. GRANGER. Thank you.

We will have a second round, and I have a question.

Ambassador Brownfield, last year, you were a witness at our hearing on transnational crime, and I asked a question about whether the State Department was using DNA forensic technology as part of your efforts to support law enforcement. At the time, the Department was looking into it. Since then, the Committee included \$3 million for DNA forensic technology in Central America in the fiscal year 2015 Appropriations Act.

Would you tell us about the type of work you plan to do with these funds to strengthen law enforcement capacity in Central America through the use of DNA forensic technology?

Mr. BROWNFIELD. Sure thing, Madam Chairwoman.

I am pleased to report that there is an academic institution located in north Texas which, in fact, has some degree of skill and expertise on this issue. We have consulted with them several times in terms of understanding what is the nature of the science that is available for this purpose. We are now engaged in conversations to try to structure what a program would look like.

It is complicated, Madam Chairwoman, because we from INL and the State Department can work the external, the foreign side of this, which is to say that side that is in Central America itself. We need domestic partners—probably CBP, but we are still working our way through this—who would work the U.S. side, those who are now in the U.S. adjudicatory system, if you will. I think we are going to get there.

My vision, subject to correction by any member of this subcommittee, would be that we use the \$3 million that is found in the fiscal year 2015 appropriations bill to do that part of the program that would be linking up potential parents of these children downstream in Central America and then find a way to use a domestic agency's authorities and resources to link it up with the DNA that could be captured from minors, from children here in the United States.

That is where we are right now. We owe you greater detail as we work this through with a domestic partner.

Ms. GRANGER. Thank you.

Mr. Diaz-Balart.

Mr. DIAZ-BALART. Thank you, Madam Chairwoman.

Actually, I wasn't going to bring the issue up of Cuba. Since a couple of my colleagues did and I have Secretary Jacobson here, let me bring it up.

Narcotrafficking. There are a number of Cuban high-level officials who have been indicted by U.S. Federal grand juries for narcotrafficking.

Rene Rodriguez Cruz, who was an official of the Cuban intelligence service and a former member of the Cuban Communist Party Central Committee, in your negotiations for normalization, is his return, his extradition to the United States, is that one of the conditions that you are asking for?

Ms. JACOBSON. We will be talking about law enforcement issues as part of a dialogue that will take place probably after the reestablishment of relations. We are beginning separate dialogues with the Cuban Government on a whole range of issues, one of which

will be deepening the conversation on law enforcement, including matters——

Mr. DIAZ-BALART. Well——

Ms. JACOBSON [continuing]. Such as people who are wanted in the United States, fugitives and others.

Mr. DIAZ-BALART. Right. And there are about 80 fugitives. I mean, there is three or four that are actual, you know, high-level——

Ms. JACOBSON. Right.

Mr. DIAZ-BALART [continuing]. Regime members who were indicted by U.S. Federal grand juris for narcotrafficking. There are also fugitives from U.S. law——

Ms. JACOBSON. Right. There are also Americans who have fled to Cuba, yes.

Mr. DIAZ-BALART [continuing]. Including in the top 10——

Ms. JACOBSON. Correct.

Mr. DIAZ-BALART [continuing]. Most wanted terrorist list, Joanne Chesimard and others.

So my question is this. So you are going to normalize—before you are going to demand that these fugitives from American law, be returned. Whether it is those who have escaped from the United States, which are close to 80, or those who have been indicted, who are high-level officials. You can understand how some of us are a little taken back when the Department of State has gone to the extreme of sending back three high-level convicted spies, one of them who had a life sentence for conspiracy to commit murder, the murder of three Americans, and then went to the extreme of actually transporting sperm from a convicted spy. I don't know if, by the way, Madam Chairwoman, if you are aware of this. Our U.S. Government went to the extreme of transporting sperm from a convicted spy, again, who was in prison there for conspiracy to commit murder, the murder of three Americans, so that he could impregnate his wife in Cuba.

So we have gone to that extreme of releasing and sending to Cuba three high-level terrorists, and that was before normalization. That has already been done. And yet, for three high-level indicted members, senior officials of the Castro regime, that will not be talked about later, or about 80 fugitives of American law who are there, one of them as far as we can tell is even living—or has been living, in the Castro compound, again, who is on the FBI's most wanted terrorist list.

You are telling me that that will be brought up after you normalize, correct?

Ms. JACOBSON. No.

I want to be really clear about this.

Number one, normalization is a long-term process. What we are doing now is reestablishing diplomatic relations. Many of the things we are going to talk about later, including claims, judgments for terrorism, and fugitives and law enforcement cooperation will come later as part of normalization but after, potentially, the reestablishment of diplomatic relations. These are not subjects in which we are having conditions on the table right now for reestablishment of diplomatic relations. They will be part of normalization conversations.

Second of all, I want to make clear that nobody transported anything for fertility. The State Department issued a visa. The rest of this is the Justice Department and the Bureau of Prisons.

Mr. DIAZ-BALART. Well, the administration did.

Ms. JACOBSON. But I want to just be clear about that.

And, third, the three Cubans who returned to Cuba were in exchange for an extremely high-ranking U.S. intelligence asset who gave us the Wasp Network, Ana Belen Montes, and Kendall Myers and his wife—important intelligence knowledge that we needed to keep this country safe.

Mr. DIAZ-BALART. Without getting into debate now, Madam Secretary, you do know that those were conditions established by the regime before. So, in other words, the Cuban regime established conditions before they would talk about normalization, including the return of those spies.

And, by the way, the families of the victims were told that this would not happen, and so they were lied to.

But the regime's conditions, preestablished conditions, were met by the administration. But the administration, again, has not conditioned anything, whether it was the return of the three indicted for narcoterrorism or the close to 80 fugitives from U.S. law.

That is something that will be discussed later, which, again, leads a lot of us to believe that these negotiations are, you know, frankly—it is what Senator Marco Rubio said. That is what happens when you send your speechwriter to negotiate with intelligence officers.

I yield back, Madam Chairwoman.

Ms. GRANGER. Mr. Serrano.

Mr. SERRANO. Thank you.

Mr. Diaz-Balart knows the respect I have for him and his whole family, but I can't pass up the opportunity to just remind ourselves that those negotiations and those discussions will also have two sides to it.

I am sure Cubans will want the return, if that is the proper word, of people who have for years been known to be living in this country who took part in acts of violence against Cuba in the early days and in the 1970s in hotels, people, for instance, in Puerto Rico who were preparing travels, excursions to Cuba and other places throughout the country. That may be part of the negotiations, too. So it is not going to be a one-sided thing.

And you are right, Madam Secretary, that first we establish—and the thing that—I hate to say this to a diplomat, but the thing you neglected to say is you can't negotiate if you don't have relations. You first have to establish the relations, and then you can negotiate on both sides. And that is going to happen. And I think the Cubans will also have claims against us.

I keep almost half-jokingly mentioning an issue that nobody has paid attention to. I am not the brightest guy on the block, you know. I mean, there are other people who should have thought of this. But, you know, for 50-something years, we have been playing Cuban music—and you think, "Music?"—Cuban music in this country, and not a single cent of royalty has been sent to anybody who lives in Cuba who have written those songs or whose relatives are still living there.

So this is a long process. You are right. There are buildings in Cuba that belong to us, this country, are now in the Cuban hands. There are also things that were taken from Cuba, like those royalties.

I will give you a last one that—I have no clue if this is true, but I have been told it is true. When the Cuban revolution took place, there were a couple of hundred, if not a couple of thousand, Cubans working on Guantanamo Base. Therefore, they were Federal employees. Those folks, because we don't send money to Cuba, when they retired from their jobs, or their relatives, never got a penny of a Federal pension because we didn't do that.

So all I am saying is I am backing up your claim that first you establish relations, then you do—but I just wanted to clear up that this is going to be a two-sided conversation because there are claims on both sides.

Ms. JACOBSON. I am ashamed that you had to remind me of the value of diplomacy and its definition. It is true that it is critical—and this is the point of the President's policy—to be able to talk about some of the very things that, I agree with Mr. Diaz-Balart, we must try and talk about and get action on.

Mr. SERRANO. Right.

And one last—I can't believe I am going to ask a non-Cuba question, but very briefly. The budget for USAID asks for a large increase. And so the question here is, are the countries that will receive this increase ready to receive this increase, ready to put it to work, and ready not to have people who believe in austerity telling us we wasted more money somewhere?

Ms. HOGAN. Thank you for the question. I am happy to respond.

In fact, we are designing programs now in anticipation of increased resources both in fiscal year 2015 as well as the large increase in fiscal year 2016 that we are requesting so that we will be ready to work with governments and the private sector to absorb those resources.

You know, this kind of an increase in Latin America and in Central America specifically isn't unprecedented. We had a huge increase in resources post-peace-process in Guatemala. We had a huge increase in resources in the region post-Hurricane Mitch. This is another huge increase in resources, but it is shared amongst three countries, and it is to build out what has been predominantly a security approach to two other lines of action.

So, taken together, we think that we will be able to very ably invest those resources. So much is needed. And we are very excited about the opportunities that this request will enable both the governments and our own agency to help drive development results in a new way.

Mr. SERRANO. My last comment of the day—first of all, thank you for the work you do for our country and the service to our country. I know it is not easy, but you do it and you do it well.

But, without mentioning names, on one of the subcommittees I was a member of, Madam Chair, as a former Secretary of State was leaving, we asked that person, "What do you see in the future of Latin America? What big change should we be paying attention to?" What that person said was very unique, said that they are

going to start electing more and more people that look like themselves.

And that is where you see, in a country like Bolivia, a President elected who is part of the majority, the vast majority. And we have to learn to go into those countries and immediately say, you elected that person, let's see if we can work with you before we call you a Socialist or a Communist or a friend of Castro or something. And I think we have made the mistake to label people too early without realizing why these changes have taken place.

We said, have elections. They had elections. When we don't like the result of the election, then we get upset. We can't do that anymore.

Thank you.

Ms. GRANGER. I thank the witnesses for appearing before the subcommittee today.

Members may submit any additional questions for the record.

The Subcommittee on State, Foreign Operations, and Related Programs stands adjourned.

**Questions for the Record Submitted to
Assistant Secretary William R. Brownfield by
Representative Ander Crenshaw (1and2)
House Committee on Appropriations
Subcommittee on State/Foreign Operations
Hearing on Central America
March 24, 2015**

Question 1:

How do we disconnect the police and judicial system from the criminal networks and corruption? How will the State Department and each Embassy encourage measurable advances on police reform, including removal of and investigation and prosecution of officials implicated in human rights abuses and other criminal activities, and the establishment of strong internal affairs and external, civilian oversight mechanisms? How will you measure results?

Answer:

The U.S. Strategy for Engagement in Central America prioritizes prosperity, governance, and security. Reducing corruption and impunity within criminal justice sector institutions is a key pillar of the Bureau of International Narcotics and Law Enforcement Affairs' (INL) assistance to advance governance and security objectives of the Strategy. INL programming has expanded its focus on preventing, detecting, and ending corruption in institutions that receive our assistance.

Our engagement in this field takes place at several levels. At the prevention level, as part of our efforts to professionalize the police force, INL in Guatemala has revamped the police academy curriculums to include human rights training,

special assistance to women and child victims of sexual abuse, and is in the process of accrediting the curriculum so that cadets graduate with college credits towards a degree in Police Science. INL also supports internal affairs units, institutionalizing enhanced complaint and investigation procedures in Panama and especially Costa Rica, where the average processing time for a complaint has dropped from two years to three months. INL-supported U.S. Resident Legal Advisers (RLAs) in the region also work with host country justice sector institutions to promote modern practices of transparency and reduce the space for corruption to take root. In Honduras, INL will embed an advisor in the newly established government vetting institution to help the government develop fair vetting policies and regulations, with a particular focus on the Honduran National Police Investigative Division.

It is also essential to target the sophisticated criminal organizations in the region which are responsible for promoting much of the growth in violence and corruption of public officials that undermine security and governance. INL support for vetted specialized police units has been essential in building capable, institutional capacity and creating trustworthy units with whom U.S. law enforcement can share actionable intelligence. INL supports vetted units in Belize, Costa Rica, El Salvador, Guatemala, Honduras, and Panama. Members of these units are often the best of the police force: officers who focus on specialized areas such as counternarcotics, violent crimes, and financial crimes. INL provides

training, equipment, and operational and polygraph support for these vetted units, which are mentored by various U.S. law enforcement agencies, including the Drug Enforcement Administration, U.S. Immigrations and Customs Enforcement, Customs and Border Patrol, and Federal Bureau of Investigation agents. These vetted units have had notable success in taking down large transnational criminal organizations and, in some cases, extraditing their leaders to the United States, as in the case of the Los Valle drug organization and drug kingpin Carlos Arnoldo Lobo in Honduras. Members of vetted units often rise in the ranks of police institutions in the region, populating these organizations with graduates of elite, highly trained and ethical units, which over time transforms entire institutions.

Through the Trilateral Action Plan with Colombia, INL is utilizing Colombian police trainers to support effective police training techniques throughout Central America. In El Salvador, for example, the United States utilizes U.S.-trained Colombian polygraphists to assist the Government of El Salvador with anti-corruption efforts. Colombian polygraphists completed 122 exams in 2014 to include National Police investigative units, Anti-Narcotics Division, Grupo Conjunto Cuscatlán, Attorney General Staff, and the new Transit Crimes Task Force Unit.

As part of the U.S. Strategy for Engagement in Central America we will complement efforts highlighted by the Governments of El Salvador, Guatemala,

and Honduras under the Alliance for Prosperity. This will include working with police, prosecutors, defense attorneys, and judges to promote greater transparency across the justice system. It is important to address the security sector at many levels and among many stakeholders – including in the judiciary. The Northern Triangle governments have already agreed to strengthen this sector, choosing to prioritize efficiency, transparency, and accountability, as well as to promote independent monitoring mechanisms, such as Transparency International's bilateral agreement with the government in Honduras, to strengthen governmental transparency.

Question 2:

Many have grave concerns regarding a militarized approach to policing in Honduras and Guatemala. What do you believe is the best way to carry out law enforcement, while not curbing the rights of citizens? How can the State Department support civilian policing and ensure that overall U.S. policy stands for civilian law enforcement? How do we assist them in training police forces without turning these states into military states? When we train and equip their police and armies without reform, are we just training corrupt cops so that they become well trained corrupt cops?

Answer:

Reliance on the military for internal security diverts attention and resources from the real solution – effective national police reform. The Northern Triangle’s own Alliance for Prosperity prioritizes improving public safety and enhancing access to the legal system as a key line of action. INL programs promote effective, service-oriented civilian police forces that can in turn help promote greater respect for democracy and civilian governments – and marginalize the appeal of military-led, temporary solutions.

We are working with our Central American partners to implement modern curriculum and training techniques, including through material support and career development opportunities for civilian law enforcement to help professionalize these agencies and enable them to perform their proper role in democratic societies. INL assistance programs provide training to incorporate core law enforcement skills and to include vetting, oversight and transparency mechanisms.

A professional, functioning, community-based police force is vital to citizen security in Honduras and Guatemala. However, many citizens' interaction with the police have not always been positive; civil society has had little experience with a civilian police force that provides services, protects and observes human rights, and promotes rule of law. INL has begun to address this dynamic with the Model Police Precinct (MPP) program, which trains local officers in the principles of community-based policing while facilitating face-to-face coordination between police and neighborhood residents. This approach has already led to an average ten percent reduction in violent crime in targeted communities, and INL plans to expand the number of MPPs in coordination with USAID throughout the region. In Honduras, INL is also working with USAID to help educate and assist citizens to demand new, responsive, community-based policing as part of a place-based strategy that will build upon the MPP model and expand crime and violence prevention services to even more vulnerable neighborhoods and high-risk individuals. The goal of this strategy will be to build trusting relationships between the police and their communities. As INL supports advancements toward this goal, we expect citizens and police will work together more to share information and concerns about the community, resulting in more targeted, intelligence-led policing.

Questions for the Record Submitted by
Representative Ander Crenshaw
**Ms. Elizabeth Hogan, Acting Assistant Administrator for Latin America and the
Caribbean, USAID**
House Committee on Appropriations
April 10, 2015

Question:

Assistant Administrator Hogan, nutrition has become an issue that I care deeply about. Without adequate nutrition, populations will be weak and unhealthy, unable to work, and vulnerable to many negative influences, like gangs. And we know that families desperate to provide for their children will sometimes do desperate things to do so. The Northern Triangle countries have been food insecure in the recent past, which is likely a contributing cause of the migration patterns. The problem with agriculture there is likely an even bigger cause of migration, when we consider the coffee rust epidemic that has swept the region over the past few years, causing widespread loss of crops and employment.

1. What has been the success of the Feed the Future programming in Honduras and Guatemala? How will USAID alter our Feed the Future programs in these countries as a result of the clear need for both food and employment, which has traditionally been in the agriculture sector? How will Feed the Future ramp up its programming in light of the continuation of the coffee rust epidemic? How does Feed the Future build resilience of the agriculture industry to severe weather and plant diseases?

Answer:

Feed the Future, the U.S. Government's global hunger and food security initiative, works in 19 focus countries around the world, including Guatemala, Honduras, and Haiti. The initiative has worked with each of these partner countries to develop rigorous, peer-reviewed agricultural investment plans, similar to Africa's, that follow the example set by the Comprehensive Africa Agriculture Development Program (CAADP).

- In Guatemala, where stunting rates are the highest in the Americas, Feed the Future was instrumental in spurring Guatemala's own Zero Hunger Plan, the first long-term national

food security strategy in Guatemala to commit to measurable objectives. In 2014, Feed the Future efforts reached more than 200,000 children under 5 with nutrition interventions that can help give them a better start at life.

- In Honduras, Feed the Future has helped over 22,000 families nearly double their daily income from \$0.62 per day per person to \$1.21. Moreover, improvements in diet, access to potable water, and simple household improvements – such as covering dirt floors and installing eco-stoves to improve respiratory conditions in these otherwise very smoky homes – have resulted in impressive nutrition impact. In 230 communities, the prevalence of underweight children has been reduced by 56 percent. Inspired by the Feed the Future approach, the Government of Honduras is now investing \$1 million a month in scaling up the Initiative’s integrated agriculture and nutrition model.

Last year, Feed the Future renewed its focus on coffee as Latin America experienced one of the region’s worst recorded outbreaks of coffee rust, a devastating windborne fungus that threatens the livelihoods and food security of smallholder farmers and laborers. Coffee holds vital significance in both Latin America and the United States: An important cash crop and export for smallholders in the region, it’s also one of our most treasured imports here in the U.S.

By engaging with governments across the region, other international organizations, private coffee companies, universities, and coffee research institutes, Feed the Future is supporting comprehensive plans driven by Central American regional institutions to

mitigate the impacts of coffee rust. Short-term strategies include financing for farmers to replace aging, diseased trees with young rust-resistant varieties and technical assistance for best agricultural practices, as well as an early warning system for coffee rust based on weather patterns. Longer-term work between USAID and industry partners will fund genetic research programs and capacity building partnerships with universities and regional coffee research institutes to develop coffee rust-resistant varieties and address the shortage of appropriate coffee seedlings. Over the past two years, USAID has provided more than \$12 million in multi-year project funding to specifically address the coffee rust crisis to ensure that smallholder Latin American farmers can earn a sustainable living and continue to provide the world with the highest-quality coffee.

In Honduras, for example, our Mission is supporting nearly 19,000 coffee growers to rebound from coffee rust and low global prices through crop diversification, as well as bringing greater value to the farmer. For example, with technical support also from USAID/Washington, our USAID Honduras Mission has brokered partnerships with coffee exporters to provide key market information and finance to small growers. As a result of this partnership, and others, many farmers met higher export standards, earning a price 50 percent higher than the average. We also scaled up solar coffee driers, enabling farmers to dry the beans, and fetching a price that is 15 percent higher, and resulting in increased profits of \$2 million.

Feed the Future activities improve the capacity of rural households to withstand occasional shocks to their food security and general welfare. Our investments in irrigation infrastructure, crop diversification and marketing channels, and promotion of non-agricultural livelihood activities allow families in both Guatemala and Honduras to be more resilient, not only to adverse weather and crop diseases, but also to volatile market conditions. By stabilizing water availability and broadening economic opportunities, farmers and landless workers are less vulnerable to a downturn in a single component of their livelihoods.

Questions for the Record Submitted by
Representative Charles Dent
Western Hemisphere Hearing
House Committee on Appropriations
Subcommittee on State/Foreign Operations
March 24, 2015

Question:

Assistant Secretary Jacobson, I would like to bring to your attention Colombia's proposed ascension to the Organization for Economic Co-operation and Development (OECD). The OECD Secretariat and its member states have identified several domestic issues that Colombia must rectify before it can accede. One concern that is shared by manufacturers in my district is Colombia's one-for-one scrapping policy for heavy duty trucks, which is anti-competitive, distorts the market, and has the perverse effect of keeping older, less fuel-efficient trucks on the road. What is the Department of State doing to ensure that Colombia fixes this problem before it can accede to the OECD?

Answer:

The Department raises the issue of Colombia's truck scrappage policy and the need to undertake economic reforms necessary for OECD accession in its high-level engagement with the Colombian government. Secretary Kerry regularly discusses these issues with President Santos. We support Colombia's accession to the OECD, but we stress that the accession committee review process is technical, not political, and Colombia needs to implement the labor and economic reforms necessary to meet the high standards for accession.

WEDNESDAY, APRIL 15, 2015.

**UNITED NATIONS AND INTERNATIONAL
ORGANIZATIONS**

WITNESS

**SAMANTHA POWER, UNITED STATES AMBASSADOR TO THE UNITED
NATIONS**

OPENING STATEMENT BY CHAIRWOMAN GRANGER

Ms. GRANGER. The Subcommittee on State, Foreign Operations, and Related Programs will come to order.

Ambassador Power, thank you for being here to testify. We have many important policy and budget issues to discuss with you today. I am sure you are ready for that.

First, I would like to address the recent announcement of a framework agreement for Iran's nuclear program. With each passing day, conflicting reports emerge about the parameters of the deal. I have serious concerns about promises that may have been made to lift sanctions on Iran, and I hope you can address this issue today.

The International Atomic Energy Agency has a critical role to play in implementing any agreement. Yet, we all know Iran's record of cooperating with the IAEA is not good. I hope you can help the committee understand why we should have confidence that Iran will live up to its commitments this time and allow IAEA the access required.

I am also deeply disappointed by the hostile actions taken by the Palestinian Authority to join international bodies over the last year. Their steps at the International Criminal Court have put U.S. assistance to the Palestinians in jeopardy.

I am also very concerned about recent statements from administration officials that suggest the United States is reevaluating its approach to the peace process and reports that the U.S. may support a U.N. Security Council resolution laying out conditions and establishing deadlines. The administration must send a clear message to the Palestinians that the only path to statehood is through a negotiated assessment with Israel.

Concerns also remain about the U.N. Human Rights Council. I fear that the Council's upcoming report on last year's hostilities in Gaza will unfairly criticize Israel's right to defend itself. There are Members of Congress who question why we should support the Council at all, and I welcome your comments on this issue.

Regarding budget issues, the request includes a significant increase for accounts that fund the United Nations and other international organizations, approximately 25 percent higher than last year. Like many increases in the President's request, this one is difficult for me to justify.

The United States is by far the largest contributor to the U.N., and more work needs to be done to ensure that the U.N. has its budget under control. For example, U.N. peacekeeping costs have skyrocketed. The administration should work with the U.N. to phase out peacekeeping missions when possible and lower the rate the United States pays for them.

Madam Ambassador, you have committed to reform the U.N. and, as you know, our appropriations bill contains strong transparency and accountability requirements. Some progress has been made, but many international organizations continue to fall short. After all of these years, there is simply no excuse for this. I look forward to your thoughts on all of these important issues.

In closing, I want to thank you and the American delegation in New York and around the world for the work you do to advance U.S. interests.

**FOR IMMEDIATE RELEASE**

April 15, 2015

Contact: [Steve Dutton](#) | (202) 225-5071

**GRANGER OPENING STATEMENT: BUDGET HEARING - UNITED
NATIONS AND INTERNATIONAL ORGANIZATIONS**

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Ambassador Power, thank you for being here to testify. We have many important policy and budget issues to discuss with you today.

First, I would like to address the recent announcement of a framework agreement on Iran's nuclear program. With each passing day, conflicting reports emerge about the parameters of this deal. I have serious concerns about promises that may have been made to lift sanctions on Iran and I hope you can address this issue today. The International Atomic Energy Agency has a critical role to play in implementing any agreement. Yet we all know Iran's record of cooperating with the I.A.E.A. is not good. I hope you can help the committee understand why we should have confidence that Iran will live up to its commitments this time and allow the I.A.E.A. the access required.

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Madam Ambassador, you have committed to reform the U.N. and as you know, our appropriations bill contains strong transparency and accountability requirements. Some progress has been made, but many international organizations continue to fall short. After all of these years, there is simply no excuse for this.

I look forward to your thoughts on all of these important issues. In closing, I want to thank you and the American delegations in New York and around the world for the work you do to advance U.S. interests.

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Ms. GRANGER. And now I will turn to Ranking Member Lowey for her opening remarks.

OPENING STATEMENT BY MRS. LOWEY

Mrs. LOWEY. Thank you, Madam Chair.

Ambassador Power, I join Chairwoman Granger in welcoming you today.

Throughout my time in Congress, I have consistently supported robust U.S. engagement at the United Nations. The U.N. is instrumental in advancing our national security interests around the world and in helping confront terrorism, nuclear proliferation, infectious disease, extreme poverty, and environmental degradation.

U.N. peacekeepers protect innocent civilians in some of the most war-torn, ravaged parts of the world, trying to bring peace and stability for a fraction of what it would cost the U.S. Armed Forces to undertake the same mission. Organizations like UNICEF, the World Food Program, U.N. Women, U.N. Population Fund help reduce poverty, protect children, feed the hungry, promote women's political and economic empowerment, and improve health standards for millions around the world.

While the benefits are not always obvious to the casual observer, the U.N. delivers real results for every American tax dollar we contribute. The United States cannot be the world's policeman. As I have said before, no one nation can or should address today's global challenges alone. That is why we must continue to work together with the world community using every tool at our disposal. Unilateral action should be the last option, not the first.

Those who view the U.N. negatively or advocate for reducing its resources undermine the U.N.'s effectiveness and limit our ability to influence international decisions. Simply put, we cannot expect the U.N. to perform if we starve it of the resources it requires or if we regard our treaty obligations as optional.

However, like any organization, the U.N. is not perfect. I am particularly concerned about its actions with regard to the Israeli-Palestinian conflict and comments by the Obama administration suggesting a reevaluation of our longstanding policy of defending Israel at the U.N.

Indeed, it was your predecessor, Ambassador Rice, who said, when vetoing a resolution on settlement activity, "It is the Israelis' and the Palestinians' conflict, and even the best-intentioned outsiders cannot resolve it for them."

Supporting or remaining agnostic on a U.N. Resolution would violate the letter and spirit of the Oslo Accord signed in 1993, which endorsed the seminal construct of Land for Peace through direct negotiations, however prolonged, intense, or seemingly intractable they may be. Such a stance at the U.N. would also reward Palestinian intransigence and ignore history.

Madam Ambassador, I hope you will unequivocally assure the members of this subcommittee that the administration will do everything in its power to stand firmly with our ally Israel in opposing counterproductive and reckless U.N. proposals.

Turning to Iran, in addition to ensuring the strictest inspections and monitoring of any facility, one of the most critical components of any deal will be the timing of any proposed sanction relief and

our ability to immediately reimpose sanctions should Iran violate any part of the agreement.

Given Iran's history of deception, I would like to hear from you that the core of U.N. sanctions will remain in place until Iran has taken major nuclear-related steps that demonstrate their sincerity. I would also like you to detail the mechanisms with which the U.N. could snap back U.N. sanctions at any point during the deal and beyond.

Lastly, I hope you will also update the subcommittee on the U.N.'s conflict resolution efforts, such as ending the devastating warfare in South Sudan, countering violent extremism across the continent, which is all the more critical, given the barbaric massacre of Garissa University students in Kenya earlier this month.

With unprecedented levels of human suffering and humanitarian needs around the world, I thank you for your leadership, your commitment, and passion, and for all you do to represent American values abroad. I look forward to your testimony.



Committee on
Appropriations - Democrats



Chairwoman, U.S. House of Representatives

**Statement by Nita M. Lowey
Appropriations Subcommittee on State and Foreign Operations
Budget Hearing – United Nations and International Organizations**

April 15, 2015

Ambassador Power, I join Chairwoman Granger in welcoming you today.

Throughout my time in Congress, I have consistently supported robust U.S. engagement at the United Nations. The UN is instrumental in advancing our national security interests around the world and in helping confront terrorism, nuclear proliferation, infectious disease, extreme poverty, and environmental degradation.

UN peacekeepers protect innocent civilians in some of the most war-torn, ravaged parts of the world, trying to bring peace and stability for a fraction of what it would cost the US Armed Forces to undertake the same mission. Organizations like UNICEF, the World Food Program, UN Women, and the UN Population Fund help reduce poverty, protect children, feed the hungry, promote women's political and economic empowerment, and improve health standards for millions around the world.

While the benefits are not always obvious to the casual observer, the UN delivers real results for every American tax dollar we contribute. The United States cannot be the world's policeman, and as I've said before, no one nation can, or should, address today's global challenges alone. That is why we must continue to work together with the world community, using every tool at our disposal. Unilateral action should be the last option, not the first.

Those who view the UN negatively or advocate for reducing its resources undermine the UN's effectiveness and limit our ability to influence international decisions. Simply put, we cannot expect the UN to perform if we starve it of the resources it requires or if we regard our treaty obligations as optional.

However, like any organization, the UN is not perfect. I am particularly concerned about its actions with regard to the Israeli-Palestinian conflict and comments by the Obama Administration suggesting a reevaluation of our long-standing policy of defending Israel at the UN.

Indeed it was your predecessor, Ambassador Rice, who said when vetoing a resolution on settlement activity: "It is the Israelis' and Palestinians' conflict, and even the best-intentioned outsiders cannot resolve it for them."

Supporting or remaining agnostic on a UN resolution would violate the letter and spirit of the Oslo Accords signed in 1993, which endorsed the seminal construct of Land for Peace through direct negotiations however prolonged, intense, or seemingly intractable they may be. Such a stance at the UN would also reward Palestinian intransigence and ignore history.

Madam Ambassador, I hope you will unequivocally assure the Members of this Subcommittee that the Administration will do everything in its power to stand firmly with our ally Israel in opposing counter-productive and reckless UN proposals.

Turning to Iran, in addition to ensuring the strictest inspections and monitoring of any facility, one of the most critical components of any deal will be the timing of any proposed sanctions relief and our ability to immediately re-impose sanctions should Iran violate any part of the agreement. Given Iran's history of deception, I'd like to hear from you that the core of UN sanctions will remain in place until Iran has taken major nuclear-related steps that demonstrate their sincerity. I would also like you to detail the mechanisms with which the UN could snap-back UN sanctions at any point during the deal and beyond.

Lastly, I hope you will also update the Subcommittee on the UN's conflict resolution efforts, such as ending the devastating warfare in South Sudan and countering violent extremism across the continent, which is all the more critical given the barbaric massacre of Garissa University students in Kenya earlier this month.

With unprecedented levels of human suffering and humanitarian needs around the world, I thank you for your leadership, commitment, and passion and for all you do to represent American values abroad. I look forward to your testimony.

Ms. GRANGER. Ambassador Power, please proceed with your opening remarks. I would encourage you to summarize your remarks so we will have enough time for questions and answers. Your full written statement will be placed in the record. We expect votes around 3:20.

OPENING STATEMENT BY AMBASSADOR POWER

Ambassador POWER. Thank you, Madam Chairman, Ranking Member Lowey, and distinguished members of the subcommittee. Thank you so much for the invitation to testify today. And thank you for the rigor that you all bring in ensuring that America's contributions to the United Nations are used to maximum effect in advancing our interests and our values in the world.

As this committee knows and as both of your opening statements testify to, we are living in a time of daunting and seemingly perpetual global crises.

In the year since I last testified before this committee, a deadly epidemic exploded in West Africa, threatening tens or even hundreds of thousands of lives; a monstrous terrorist group seized large parts of Syria and Iraq, broadcasting beheadings and mass executions on YouTube; and Russia trained, armed, and sent soldiers to fight alongside separatists in eastern Ukraine, among too many crises to count.

These are the kinds of threats for which the United Nations was created. Yet, they have exposed profound weaknesses and vulnerabilities in the international system.

We have seen a global health system led by the WHO that, despite multiple warnings from credible sources, including our CDC, was slow to respond to the Ebola epidemic's growing momentum. We have seen Russia and China through their cynical veto of an ICC referral resolution at the U.N. Security Council block a step toward holding accountable a regime that has tortured, starved, gassed, and barrel-bombed its own people.

Representing our Nation at the U.N., I have to confront these vulnerabilities every day. But the central point I want to make to this committee is that, even taking into account these weaknesses, America needs the United Nations to address today's global challenges.

The United States has the most powerful set of tools in history to advance our interests, and we will always lead on the world stage. But we are more effective when we ensure that others shoulder their fair share and when we marshal multilateral support to meet our objectives.

Let me quickly outline four ways we are doing that at the U.N. First, we are rallying multilateral coalitions to address transnational threats.

Consider Iran. In addition to working with Congress to put in place unprecedented U.S. sanctions on the Iranian Government, in 2010, the Obama administration galvanized the U.N. Security Council to authorize one of the toughest sanctions regimes in the history of the organization. This combination of unilateral and multilateral pressure was crucial to bringing Iran to the negotiating table and ultimately to helping reach a framework that effectively cuts off every pathway for the regime to develop a nuclear weapon.

It is not only on Iran where we have used the U.N. to catalyze action on issues where the international community has proven unable or unwilling to respond.

Last September, as people were dying outside of hospitals in West Africa that had no beds left to treat the exploding number of Ebola patients, we chaired the first ever emergency meeting of the U.N. Security Council on a global health issue, pressing countries to deploy doctors and nurses, build clinics and testing labs, and fill other gaps that ultimately helped bend the outbreak's exponentially rising curve.

Of course, America did not just rally others to step up. We led by example, deploying more than 3,500 U.S. civilian and military personnel to Liberia, where we helped bring the number of new infections down to zero last month.

Second, we are reforming U.N. Peacekeeping to meet the challenges of 21st century conflicts. There are more than 100,000 uniformed police and soldiers deployed in the U.N.'s 16 peacekeeping missions, a higher number than at any time in history. They have more complex responsibilities than ever before. And the United States has an abiding strategic interest in resolving the conflicts where peacekeepers serve, which can quickly cause regional instability and attract extremist groups, as we have seen in Mali.

Yet, while we have seen peacekeepers serve with bravery and professionalism in some of the world's most dangerous conflicts, as in the Force Intervention Brigade's success in neutralizing some of the rebel groups in the Democratic Republic of Congo, we have also seen chronic problems too often, including the failure to protect civilians.

We are working relentlessly to address these shortfalls. To give just one example, we are persuading more advanced militaries to step up and contribute soldiers and police to U.N. Peacekeeping. That was the aim of a summit that Vice President Biden convened at the U.N. last September, where countries like Columbia, Sweden, and Indonesia announced new troop commitments, and it is the message I took directly to European leaders last month when I made the case in Brussels that peacekeeping is a critical way for European militaries to do their fair share in protecting our common security interests. This coming September President Obama will convene another summit of world leaders to build on this momentum and help catalyze a new wave of commitments.

Third, we are fighting to end bias and discrimination within the U.N., an issue both of you have raised. Last year, in keeping with a commitment I made in my confirmation hearing, I told this committee, "The United States will stand with Israel. We will defend it, and we will challenge every instance of unfair treatment throughout the United Nations."

We have lived up to that commitment, from mounting a full-court diplomatic press to help secure Israel's permanent membership into two U.N. groups from which it had long and unjustly been excluded, to consistently and firmly opposing one-sided actions in international bodies. And we will continue to live up to that commitment.

In December, when a deeply unbalanced draft resolution on the Israeli-Palestinian conflict was hastily put before the Security

Council, the United States successfully rallied a coalition to join us in voting against it, ensuring that the resolution failed to achieve the nine votes of Security Council members required for adoption.

Fourth, we are working to ensure that the U.N. lives up to its obligation to promote human rights and affirm human dignity, as we did by pressing for the Security Council to hold its first-ever meeting on the human rights situation in North Korea. We used that session to shine a light on the regime's widespread abuses and give a face to its victims, like the man who was reportedly chained to the back of a car and dragged for some 30 miles in loops around his village simply for trying to escape to China.

In closing, let me stress we take very seriously our duty to ensure taxpayer dollars are spent wisely. So when we request full support for the accounts that fund the U.N. and affiliated organizations, it is with confidence that we are doing everything within our power to make the U.N. more fiscally responsible, more accountable, and more nimble.

Since the 2008–2009 fiscal year, we have actually reduced the cost per peacekeeper by 18 percent, and we are constantly looking for ways to right-size missions in response to conditions on the ground, as we will do this year through drawdowns in Cote d'Ivoire, Haiti, and Liberia, among other missions.

When we mobilize the U.N. and its member states to tackle global threats, we are doing more than just advancing our interests. We are enabling protection on U.N. bases for more than 112,000 displaced people in South Sudan who fled after security forces went house to house killing people based on their ethnicity.

We are rallying the U.N. General Assembly to uphold the universal values that America holds dear, as when we convened and the U.N. General Assembly convened its first-ever meeting on anti-Semitism in January, where more than 50 countries condemned anti-Semitism's alarming rise and pledged to take steps to stop it.

And we are not only helping prevent a generation of children in West Africa from being wiped out by a deadly epidemic, but also making it safe for them to return to their classrooms, as happened just yesterday in Sierra Leone, where schools reopened for the first time in over 9 months.

These are the stakes. This is the reason we will continue to work tirelessly to make the U.N. more efficient and more effective, and this is why we are so grateful for this committee's support as well as for its efforts to hold the U.N. to the standards that America's security and the great crises of our time demand.

Thank you. And I look forward to your questions.



Ambassador Samantha Power

**House Appropriations Subcommittee on State, Foreign Operations,
and Related Programs**

**Budget Hearing: United Nations and International Organizations
April 15, 2015**

Madam Chairwoman, Ranking Member Lowey, distinguished members of the subcommittee, thank you for the invitation to testify today. I am grateful for this panel's enduring commitment to American leadership at the United Nations and in the world. And I appreciate the rigor that your members bring to ensuring the oversight and effective use of our contributions to the United Nations – a goal we share.

On behalf of the Administration, I respectfully request full funding for fiscal year 2016 for three accounts that include funds for the United Nations and affiliated organizations: \$2.93 billion for Contributions for International Peacekeeping Activities (CIPA); \$1.54 billion for Contributions to International Organizations (CIO); and \$315 million for International Organizations and Programs (IO&P). I also request full funding for two accounts that may be utilized to support UN and other multilateral peacekeeping missions and peace operations around the world: \$150 million for the Peace Operations Response Mechanism, and \$495.2 million for Peacekeeping Operations (PKO).

We take seriously our obligation to the American people to protect their security and ensure that their tax dollars are spent wisely, and we are confident that our requests reflect the commitment of the Administration and Congress to fiscal discipline in a time of tight budgets, as well as to advancing our national security interests in an era of diffuse and diverse threats.

Today, I will lay out four main objectives to advance America's interests at the United Nations, and the progress we are making towards meeting them: marshalling the unique multilateral capabilities of the UN to address transnational threats; reforming UN peacekeeping for 21st century conflicts; fighting bias and discrimination within the UN; and promoting human rights and human dignity. I will also outline how we are working to improve the UN's efficiency and effectiveness across these lines of effort, by pressing for reforms that make the organization more fiscally responsible, accountable and nimble.

Rallying Multilateral Coalitions to Address Transnational Threats

In the year since I last testified before this committee, a deadly epidemic exploded in West Africa, threatening to roll back decades of progress and kill tens or even hundreds of thousands of people. A monstrous terrorist group emerged from Syria's grinding civil war, seizing large swaths of Iraq – and executing journalists, aid workers and entire communities simply because of their ethnicity or what they believe. Unsatisfied with occupying and attempting to annex Crimea, Russia trained and armed separatists in eastern Ukraine, and sent Russian soldiers to fight by their side.

What many of these contemporary crises share in common is that the threats they pose extend far beyond any national border or even region. And no individual country – not even one as powerful as the United States – can tackle them alone. Nor would we want to, even if we could. But far too often, we have seen other countries – including those most directly affected – do little or nothing at all, as though expecting the United States or others to do the job for them. That puts us in a daunting position – aware that we ignore these problems at our own risk, but also that, to address them, we must rally other countries that are often reluctant to do their part.

These are the kinds of global challenges for which the United Nations was created. And yet these crises expose profound weaknesses and vulnerabilities in the international system. We saw a global health system led by the WHO that – despite multiple warnings from NGOs like Médecins Sans Frontières and from our own Centers for Disease Control and Prevention (CDC) – was slow to respond to the epidemic's growing momentum, missing the chance to contain the outbreak early. We saw a UN Security Council where two out of the fifteen members – China and Russia – used their veto to stop a resolution on the situation in Syria that included a referral to the International Criminal Court. That resolution would have sent a clear message to perpetrators that the international community agreed they must be held accountable for their crimes – particularly the Asad regime, which has tortured, killed, starved, bombed and gassed its own people; but instead it was blocked. And we see Russia – one of the permanent members of the Council entrusted with “primary responsibility for the maintenance of international peace and security” – trying to lop off territory of its neighbor Ukraine.

In my position as the United States representative to the United Nations, I have to confront these vulnerabilities every day. The reality is that we need the UN to work, and work better, if we are to confront today's global threats. We need to marshal its unique multilateral capabilities to complement our unilateral capabilities.

Iran

Let me begin with the issue on everyone's minds: Iran. Republicans and Democrats agree that we cannot and will not allow Iran to obtain a nuclear weapon. That is why President Obama worked with members of both parties in Congress to put in place unprecedented U.S. sanctions on the Iranian government. President Obama also recognized that convincing other countries to impose similar sanctions would increase the pressure on Iran – which is why the Administration pushed hard to get the UN to impose new sanctions against Iran. And we succeeded. In June 2010, the UN adopted one of the toughest sanctions regimes in the history of the organization – sanctions that all UN Member States are required to enforce. The European Union and other like-minded countries followed suit with their own additional sanctions. It was this combination of unilateral and multilateral pressure that helped bring Iran to the negotiating table.

Because I know it is of interest to this committee, let me speak briefly about the framework of a Joint Comprehensive Plan of Action that our negotiators reached earlier this month. This deal is not predicated on trusting Iran. To the contrary, the Administration entered these negotiations clear-eyed about the nature of the Iranian regime – a regime that has been a leading state sponsor of terrorism, a chronic human rights violator, and patron of abusive regimes. We have never lost sight of that reality. Indeed, that is precisely why we grounded the framework on rigorous verification measures that will allow us to base our conclusions about Iran's nuclear program on transparent, and comprehensive inspections. It is based on facts, not faith. On proof, not goodwill.

And this framework follows the model of deals that great American leaders – like Presidents Kennedy and Reagan – made with dangerous Soviet regimes during the Cold War. Those regimes had the capacity to threaten our very existence with nuclear annihilation, and were working relentlessly to harm our interests. Yet American leaders carefully weighed the potential risks against potential benefits, entered into tough negotiations, and crafted deals worth making. We have done the same with Iran.

This deal meets our core objectives – strictly limiting Iran's program to ensure it is exclusively peaceful, and cutting off every pathway that Iran could take to developing enough fissile material for a nuclear weapon. That means no enrichment paths through Natanz or Fordow. No plutonium path through Arak. And effectively no potential covert path.

Iran will be subject to one of the most robust and intrusive inspections and transparency regimes ever negotiated. The shortest commitments last a decade, yet many of its commitments are permanent – with no sunset clauses. Iran will decommission over 10,000 enrichment centrifuges, around two-thirds of the stock it possesses. Today, Iran has an enriched uranium stockpile of around 12,000 kilograms, enough to make ten nuclear bombs. Under this deal, Iran will get rid of about 98 percent of this stockpile, retaining only 300 kilograms. As centrifuges are dismantled and facilities repurposed, Iran’s breakout time – the time it could take to build a nuclear bomb – will go from a few months to at least one year.

In exchange, Iran will not receive substantial sanctions relief until it verifiably completes all of its major nuclear-related steps and the breakout time has been increased to at least a year. And if Iran violates the deal, we will snap sanctions back into place.

Just as the pressure from UN sanctions helped bring Iran to the negotiating table, we expect the UN Security Council to play an important role in an eventual deal. Indeed, we expect most of the core UN sanctions to remain in force for some time after a deal is finalized. Specifically, Iran will continue to be subject to UN restrictions on the nuclear technology it can import. It will also be subject to restrictions related to conventional arms and ballistic missiles for a considerable period of time. And just as our domestic sanctions can easily be put back into place if Iran is caught cheating, we are insisting on procedures to ensure that the UN sanctions snap back too. We are also drafting provisions to ensure that any snapback will be triggered based on our own determination, without giving Russia or China the power to block it.

Ebola

A nuclear armed Iran is not the only threat for which we have mobilized multilateral action through the UN. In September 2014, as we looked in horror at the sharply rising curve depicting the Ebola epidemic’s projected spread, we used the UN to catalyze the international community – including the UN’s own institutions – to confront a threat growing exponentially. On September 15, we convened representatives of UN Member States at the U.S. mission for a briefing by the CDC. CDC representatives told diplomats from around the world that – according to the worst case projections – more than a million people could be infected with the disease within months if urgent action was not taken. Together with the CDC and representatives from Guinea, Liberia, and Sierra Leone, the United States argued that an all-hands-on-deck effort was essential to avoiding a catastrophe on this scale. And we urged the diplomats in that room to send this urgent message back to their capitals.

Three days later, we used our convening power as president of the UN Security Council to hold the Council’s first ever emergency meeting on a health crisis. We invited a Liberian healthcare worker named Jackson Naimah to speak to the Council by video. He described people dying outside the gates of the Médecins Sans Frontières clinic in Monrovia where he worked, because

there were no more beds to take them in. He said, “I feel that the future of my country is hanging in the balance...If the international community does not stand up, we will be wiped out.”

In response to Jackson’s call, we mobilized 133 countries to co-sponsor a resolution declaring Ebola a threat to international peace and security, and committing to bend the epidemic’s deadly curve. At the same time, the UN announced the creation of its first global health mission, the UN Mission for Ebola Emergency Response, UNMEER, to coordinate the UN system’s response to the outbreak. The following week, President Obama convened world leaders, pressing them to do their part, whether by deploying health professionals and logisticians, building Ebola treatment units and labs, providing personal protective equipment, contributing cash, or filling any of the other gaps enabling the epidemic’s exponential spread.

The United States led this effort by example, deploying more than 3,500 U.S. civilian and military personnel from the Department of Defense, USAID, the CDC, the U.S. Public Health Service, and other agencies to Liberia. I had the honor of meeting with some of the doctors, soldiers, epidemiologists, disaster response team members, and other U.S. government personnel bravely serving in this effort in October, when I toured the affected countries. I saw first-hand the way their efforts dramatically shifted the momentum in the response – American men and women who built health facilities to treat the sick, and stood up testing labs that cut down the turnaround times from a week to a few hours; Americans who rapidly ferried life-saving supplies like suits, plastic gloves, and rehydration fluids from around the globe to the region, and out to isolated districts that needed them most; Americans who coordinated the efforts of volunteer doctors and nurses, and helped burial and contact tracing teams systematically track cases and cut off pathways of infection. Liberia went from having the highest number of infections many times over when the U.S. began its intervention, to the first of the three most affected countries to reach zero cases last month. We are extremely grateful to the Committee for providing the resources for this robust response through an emergency appropriation, without which the United States’ decisive role in addressing this crisis would not have been possible.

The UN system’s response as coordinated by UNMEER has played – and continues to play – a critically important role in bending the curve, from the logistics support provided by the World Food Program, to the awareness-raising efforts in communities by UNICEF, to the trainings and epidemiological work of the World Health Organization (WHO). As we move from bending the curve to ending the curve, we are working closely with the UN Secretariat to ensure UNMEER is scaled down as swiftly as conditions allow, and ultimately concludes its mission. UNMEER is scheduled to transfer its remaining responsibilities on the ground to relevant UN agencies and country teams by the end of July, and close out financially by the end of August.

But we are not at zero yet. In the first week of April, the WHO reported 30 confirmed Ebola cases across the region – the lowest weekly total since May 2014, but that is still 30 too many. In

Guinea, we are still seeing many unsafe burials and the transmission of the disease through unmonitored contact chains – challenges we are working urgently with the UN, the governments of Guinea and France, and NGO partners to address. And the outbreak has inflicted a devastating toll on communities – killing more than 10,500 people in West Africa, ravaging the affected countries’ already brittle public health systems, and ruining local economies. Yet there is no question that, had it not been for the U.S.’s leadership – not only in our unilateral efforts in Liberia, but also in galvanizing other nations to do their part – tens or even hundreds of thousands more lives may have been lost.

Foreign Terrorist Fighters

In addition to strengthening our efforts to prevent Iran from obtaining a nuclear weapon and curb the deadly Ebola outbreak, we are also using the UN to mobilize coordinated global efforts to combat violent extremism – and in particular, to halt the flow of foreign terrorist fighters and their sources of funding. More than 20,000 foreign terrorist fighters from over 90 countries have traveled to Syria since the beginning of the conflict, at least 3,400 of whom carry Western passports. In recent months, we have seen the carnage wrought by these foreign terrorist fighters, as in the massacre at the Bardo museum in Tunisia.

This is a problem where the failure of any one country to stop the flow of fighters or funding can have immediate, dire consequences for other countries. Yet governments have been slow to develop the laws and capabilities to address this grave threat. To help close these gaps, President Obama convened a Summit of world leaders at the UN in September, where the Security Council adopted a resolution requiring countries to have laws to prosecute foreign terrorist fighters and those who fund them, and to prevent them from entering and transiting their territory. It also calls on governments to improve cooperation in this effort, including through increased intelligence sharing and capacity building, as well as efforts to counter violent extremism. We are now focused on implementing this landmark resolution, mobilizing the UN system alongside our individual efforts to help countries develop their ability to address this threat.

We are also using the UN to find innovative ways to cut off the ways violent extremist groups fund their violence and recruitment. As with our sanctions on Iran – the more countries that join this effort, the harder it is for groups like ISIL and al-Nusra Front to fill their coffers. A resolution we led in February targeted three of the groups’ funding streams: illicit oil smuggling, the trade in looted antiquities, and ransoms for kidnapping victims.

Preparing UN Peacekeeping for 21st Century Conflicts

There are currently sixteen UN peacekeeping missions worldwide, made up of nearly 130,000 personnel, at least 100,000 of them are uniformed military and police, compared to just 75,000 total personnel a decade ago. This is by far the most peacekeepers that have ever been active in

history and does not even include the 22,000 personnel deployed as part of the African Union mission in Somalia.

Numbers only tell part of the story. We are asking UN peacekeepers to do more, in more places, and in more complex conflicts than at any time in history. We are asking them to contain – and at times, even disarm – violent groups. We are asking them to ensure safe delivery of life-saving humanitarian assistance. We are asking them to protect civilians from atrocities. And we are asking them to help provide stability and post-conflict reconstruction in countries emerging from brutal civil wars. Two-thirds of peacekeepers are operating in active conflict areas, the highest percentage ever, often involving myriad rebel groups and militias who have made clear that they intend to keep fighting.

Some say that we're asking too much of UN peacekeeping. But we are asking more of peacekeeping because today's threats demand that peacekeepers play such a role.

These conflicts matter to the United States. Violence within a country can quickly cause national and regional instability, displacing millions of people, upending markets, and spilling over into neighboring countries. Conflicts undo the hard-earned progress countries have made toward building democracy; they weaken both governments and civil society; and they allow criminals and repressors to thrive. And conflicts increasingly attract extremist groups, who can use the vacuum of authority to terrorize civilian populations and plan and launch attacks – including on the United States or on American citizens living abroad. The suffering they cause can also be a powerful recruitment tool for terrorists, even when they are not fueled at the outset by extremist elements.

Not only does curbing violent conflict make us safer, it is also consistent with what our hearts tell us is right. We – and by “we” I count not only members of the Administration and Congress, but also the vast majority of Americans – do not want to live in a world where religious or ethnic communities who lived together for decades in harmony, such as the Muslims and Christians in the Central African Republic, learn to hate and fear one another.

There is one additional reason America has a strategic interest in making UN peacekeeping work: it ensures that other countries help shoulder the burden in addressing violent conflicts, both by contributing troops and sharing the financial costs of operations, thereby helping address the free-rider problem we see in so many matters of international security, and helping avert potentially costlier U.S. military involvement.

But at the same time as we see the promise of contemporary peacekeeping, we also see its pitfalls. Troops frequently take a long time to deploy, and have limited mobility. Missions have

trouble keeping units fed and hydrated in remote areas. And with alarming regularity, peacekeepers fail to stand up to human rights violators and protect civilians from attacks.

Consider the peacekeeping mission in the Democratic Republic of Congo. After years of stagnancy, a special unit of the mission known as the Force Intervention Brigade has played a catalytic role in disarming and defeating powerful rebel groups. The UN force commander, Brazilian Lieutenant General Carlos Alberto dos Santos Cruz, has led the brigade in neutralizing a number of powerful rebel groups, including the M23, which had committed unspeakable atrocities against Congolese civilians. And yet at the same time, we still see UN peacekeepers in Congo all too often failing to protect civilians. Last June, when the Congolese town of Mutarule came under attack just a few kilometers from a UN peacekeeper base and residents called for help, no one responded. More than thirty people were massacred, eight of them kids.

Let me share five lines of effort the United States is pursuing to strengthen UN peacekeeping so it can better meet the demands of 21st century conflicts.

First, we are deepening the pool of countries that deploy troops and police. That is why Vice President Biden convened world leaders at the UN General Assembly in September 2014 for a Peacekeeping Summit, where he pressed for – and secured – more commitments from capable force contributors, particularly from developed countries. Indonesia announced that it will more than double its deployment of troops to peacekeeping from 1,800 to 4,000. Colombia announced its intent to contribute troops for the first time in its history. President Obama will convene world leaders at another UN summit in September to build on this momentum, and secure the additional troop and police commitments to match the demand of today’s conflicts.

A critical part of that effort is encouraging the return of European militaries to UN peacekeeping. Two decades ago, 25,000 troops from European militaries served in UN peacekeeping operations – more than 40 percent of blue helmets at the time. Today, fewer than 6,000 European troops are serving in UN peacekeeping missions, less than 7 percent of UN troops. Last month, I traveled to Brussels to make this case directly to European leaders.

As I argued in Brussels, peacekeeping allows European troops with key niche capabilities to have an outsized impact, and raises the quality of the entire enterprise, while giving European militaries the chance to preserve their level of preparedness, and take up their fair share of maintaining international peace and security. We have seen the momentum-shifting impact that even a modest contribution of 400 Dutch troops can make in the capabilities of the UN peacekeeping mission in Mali. And the need comes at a time when Europe has troops to spare, having drawn down in Afghanistan from approximately 35,000 troops four years ago to less than 2,000 today.

Second, we are ensuring that countries with the will to perform 21st century peacekeeping have the capacity to do so. To this end, President Obama announced the African Peacekeeping Rapid Response Partnership, “A-Prep”, which is investing \$110 million each year for the next three to five years to build the capacity of an initial core group of six countries – Ethiopia, Ghana, Rwanda, Senegal, Tanzania, and Uganda. The initiative aims to deepen our investment in countries that have a track record of deploying troops and police to peacekeeping operations and that make a commitment to protecting civilians from violence. This is an extremely important initiative that deserves Congress’s support.

Third, we are working to build a global consensus in support of the mandates peacekeepers are being asked to undertake. Today, approximately 98 percent of UN peacekeepers have mandates that charge them with protecting civilians. However, a number of large troop-contributors openly express skepticism at the scope of responsibilities assigned to their forces, which has resulted in their standing by or standing down rather than standing up when civilians are attacked. A report by the UN’s internal oversight office last March found that in 507 attacks against civilians from 2010 to 2013, peacekeepers virtually never used force to protect civilians under attack. Thousands of civilians may have lost their lives as a result. This is unacceptable and we are committed to changing it.

Fourth, we are pressing UN peacekeeping to make bold and innovative institutional reforms. Recent reforms include longer troop rotations to preserve institutional memory, financial penalties for troops who show up without the necessary equipment to perform their duties, and financial premiums for troops who are willing to accept higher risks. The Secretary-General has launched the first strategic review of peace operations in nearly 15 years. While we don’t expect a mere review to remedy deficiencies in capabilities and shortages in political will, we are pushing the high-level panel to address the shortcomings within the UN itself, such as inadequate planning, uneven mission leadership, and inadequate measures to prevent sexual exploitation and abuse.

Fifth, we are making UN peacekeeping missions more adaptive to changing conditions on the ground. While the UN is not known for being a nimble organization, crises are fluid, and peacekeeping must get better at adapting to them. Consider the UN peacekeeping mission in Liberia, UNMIL. Last year, we were in the process of drawing down UNMIL’s forces when the Ebola outbreak metastasized. Our strategy had to shift swiftly from downsizing to maximizing UNMIL’s abilities and infrastructure to aid in the Ebola response. Now that the outbreak has been brought under control in Liberia, our discussion of UNMIL’s role must adapt once again.

We are constantly looking for ways to right-size missions. In some circumstances, right-sizing means scaling down. This year, thanks in large part to our pressure, the MINUSTAH mission in Haiti will complete its reduction to the troop and police levels it had before the 2010 earthquake,

while continuing to train the Haitian National Police to take up their responsibilities. As Côte d'Ivoire prepares to hold its first presidential elections since the 2011 crisis, the UN peacekeeping mission there is continuing its phased reduction in military personnel. And as Liberia and its neighbors bring the Ebola outbreak to zero, we will once again be looking to draw down forces in UNMIL.

Right-sizing does not always mean downsizing. In South Sudan – where more than 112,000 civilians are taking shelter from violence on UN bases, at least 1.5 million people have been displaced, and a peace agreement remains elusive – current troop levels must be maintained. In the Central African Republic – where last year blue helmets took the place of African Union peacekeepers, and where French troops are drawing down – the UN is still at only 80 percent of its full strength. The mission must scale up to 100 percent to create the political space for a transition to a new, democratically elected government, and to ensure peacekeepers can prevent atrocities like the ones we have witnessed by armed militias.

As we work to make the UN better at adapting to changing conditions, it is important that we make ourselves more nimble as well. No matter how carefully we plan, unforeseen emergencies can and often do arise – including crises for which it is in our national interest to support new or expanded peacekeeping operations. The Central African Republic and South Sudan are just the most recent examples.

That is why I hope the Committee will support the request to authorize the Peace Operations Response Mechanism requested in this year's budget. This mechanism would ensure funding is available to respond swiftly to unforeseen requirements that emerge outside of our regular budget cycle, without endangering critical, ongoing, budgeted peacekeeping efforts or other national security priorities. This added flexibility will strengthen our ability to help prevent conflicts from destabilizing countries or entire regions, and to save lives. Any allocation of such funds would be subject to the Secretary of State's determination that additional funds are needed, and would be allocated only after consulting with Congress.

Given the instability that Boko Haram is causing in northern Nigeria, and the deplorable attacks it continues to carry out against civilians – from the kidnapping of the Chibok schoolgirls to cynically manipulating a girl believed to be as young as seven to detonate a bomb strapped to her body in a busy marketplace – we may well need a more sustainable source of funds to support regional operations to combat this terrorist threat. And that is precisely the kind of bridge support that the Peace Operations Response Mechanism would provide.

Fighting Bias and Discrimination within the United Nations

Confronting anti-Israel bias is a long and proud bipartisan American tradition at the UN. It is the living legacy of every single U.S. Ambassador to the United Nations – from my predecessor,

Ambassador Rice, through master diplomats from both parties, from Moynihan to Kirkpatrick, Albright to Holbrooke.

Day in and day out, we push back against efforts to delegitimize Israel at the UN, and fight for its right to be treated like any other nation. We do this not because Israel is one of our closest allies – though Israel is. We do it because unfairly singling out any nation undermines the entire UN system, by violating its core principles. Or, as UN Ambassador Daniel Patrick Moynihan so eloquently put it in 1975, when the UN was on the verge of passing its infamous resolution declaring Zionism a form of racism, “What we have at stake here is not merely the honor and the legitimacy of the State of Israel – although a challenge to the legitimacy of any member nation ought always to arouse the vigilance of all members of the United Nations. For a yet more important matter is at issue, which is the integrity of the whole body of moral and legal precepts which we know as human rights.”

Here are just a few of the ways we are doing that.

When 18 biased resolutions against Israel were proposed during the UN General Assembly last September – as they are every fall – we opposed every one of them.

When the UN Human Rights Council held a special session last July to create a Commission of Inquiry to investigate alleged human rights violations committed in the context of military operations in the Palestinian Territories, we cast the sole “no” vote on a profoundly flawed resolution that focused overwhelming criticism on Israel without once mentioning Hamas.

Before the United States joined the UN Human Rights Council in 2009, more than half of all country-specific resolutions were focused on Israel; today, we’ve helped lower that proportion to one-quarter. Nonetheless, the Human Rights Council has still adopted many more resolutions criticizing Israel than it has on North Korea, Iran, Syria or Sudan.

For years Israel was the only UN Member-State that was excluded from a regional body at the UN in Geneva and the only group that had no group to caucus with in New York in the General Assembly committee that addresses human rights. We were determined to change this, and we did. In January 2014, after a sustained, full court diplomatic press, we helped secure for Israel permanent membership in the Western European and Others Group – the regional group that includes the United States. And in February 2014, we secured Israel’s membership in the like-minded human rights caucus, JUSCANZ, from which it had long been excluded in New York.

The United States has worked hard to stand up to every effort that seeks to delegitimize Israel or undermine its security. We have consistently and firmly opposed one-sided actions in international bodies, and will continue to do so. In most cases of unfair and unbalanced texts

introduced in the Security Council, we have been able to advocate successfully for the U.S. position during negotiations and, if necessary, form a coalition of like-minded countries to stop such resolutions from moving forward. In December, when a deeply unbalanced draft resolution on the Israeli-Palestinian conflict was hastily put before the Security Council, the United States successfully rallied a coalition to join us in voting against it. Secretary Kerry reached out to leaders of multiple countries represented on the Security Council, as we did simultaneously from our mission in New York. As a result of our efforts, the resolution failed to achieve the nine votes of Security Council members required for adoption.

The United States believes that a two-state solution is vital to ensuring the preservation of a Jewish and democratic Israel, and we will continue to work to achieve that goal.

Promoting Human Rights and Human Dignity

The United Nations was created not only to maintain international peace and security, but also to, “reaffirm faith in fundamental human rights, in the dignity and worth of the human person.” We strive every day to press the UN to live up to this goal – standing up to repressive regimes, shining a light on their abuses, pressing for perpetrators to be brought to justice, and empowering victims and human rights defenders.

In scale and sheer depravity, few human rights crises in the world compare to the horrors of present day North Korea. Between eighty and one hundred and twenty thousand people are confined in gulags, where the torture and rape of prisoners is routine, and children are forced to watch the executions of their own parents. Yet the regime’s denial of access to independent observers, such as human rights groups and journalists, and its draconian measures to prevent people from escaping the country, has limited the documentation of its widespread abuses. That is why we worked with countries on the UN Human Rights Council to create a Commission of Inquiry on Human Rights in North Korea in 2013, to conduct an in-depth investigation of the country’s human rights conditions.

The Commission conducted more than 200 confidential interviews with victims, eyewitnesses, and former officials, and held public hearings in which more than 80 witnesses gave testimony. Witness accounts were corroborated by other forms of evidence, such as satellite imagery confirming the locations of prison camps. The Commission’s findings, laid out in its February 2014 report, included that “systematic, widespread, and gross” human rights violations have been and are being committed by the North Korean government, in many instances constituting crimes against humanity, committed “pursuant to policies established at the highest level of the State.”

Building upon these findings, we have worked with our international partners to press for the UN to continue to denounce North Korea’s abuses, and take steps to hold the perpetrators

accountable. These efforts led to the Security Council holding its first ever meeting focused on the human rights situation in North Korea. Representing the United States in that December 22 meeting, I had the opportunity to help give voice to victims of the North Korean regime, like Kim Young-soon, who had escaped from Prison Camp 15. She and other prisoners were so famished they picked kernels of corn from the dung of cattle to eat. She said, "If there was a day that we were able to have mouse, that was a special diet for us. We had to eat everything alive, every type of meat we could find." I also spoke to the Council about North Koreans who had been tortured for trying to flee the country, such as the man who – after being returned by China – was chained to the back of a truck by North Korean authorities, and then dragged for three loops around the city where he lived – nearly 30 miles in distance – so everyone there could see. "When he fell down, they kept on driving," the man's sister told the Commission of Inquiry.

As I told the Council in that meeting, we not only denounce repressive regimes because it is in keeping with American values. We also denounce them because – as we have seen throughout history, the way governments treat their own citizens – particularly those governments that systematically violate the rights of their own people – tends to align closely with the way they treat other countries and the norms of our shared international system. It is no coincidence that the Assad regime, which tortures thousands of people to death in its prisons, assigning each victim a case file and serial number, has also repeatedly violated the international ban on chemical weapons, as we saw in the heart-wrenching video of the three tiny children who were the victims of one of its recent attacks in Sarmin, in Idlib province. It is no coincidence that the Russian government, which has methodically cracked down on independent human rights organizations within its borders, is also violating the sovereignty and territorial integrity of Ukraine. And these are parallels we highlight in our diplomatic efforts and our public efforts.

Some of our most important battles to fight discrimination and promote human rights are being waged within the United Nations system. When Russia sought to overturn a decision by the Secretary-General granting benefits to the spouses of UN employees in same-sex marriages, we rallied other countries against Russia's effort, and roundly defeated it. When multiple countries on the UN's NGO committee sought to exclude organizations simply because they focus on promoting LGBT rights, we pushed to ensure they are treated equally. These efforts send a clear signal of our commitment to advocate for all human rights for all people.

Another enduring form of discrimination – within the UN and in the world – is anti-Semitism. The last year has seen an alarming rise in attacks on Jews, including in the heart of Europe – from the assault on the Jewish supermarket in Paris in January, to the attack on the Jewish museum in Brussels in May. So, when President Obama asked me to lead a Presidential Delegation to the 10th Anniversary of the OSCE's Berlin Conference on anti-Semitism, I raised our concerns about the rising tide of anti-Semitism in Europe directly with their leaders. I made clear that such attacks are not only a threat to the Jewish community – they are a threat to

European liberalism and pluralism. And we made clear that all countries must make this struggle a national priority, whether it is unequivocally condemning it, providing the necessary resources and political backing to efforts to combat the rising tide of hatred and attacks, holding perpetrators accountable, and providing outreach to the community at risk.

It was in this context that it was an especially important milestone that, working with Israel, the European Union, Canada, and other nations, we convened the first-ever meeting on anti-Semitism in the UN General Assembly in January. More than fifty countries – representing nations of all faiths – took the podium not only to denounce anti-Semitism and attacks like the barbarous killings in Paris that had occurred weeks earlier, but also to commit their countries to take concrete steps to stop its alarming rise. Going forward, we intend to hold those countries to their pledges, and to persuade the other countries that did not speak that this struggle is theirs too.

Making the UN More Efficient, Accountable and Nimble

Now that I have made the case for our principal strategic efforts at the UN, let me tell you how we are making the UN more efficient, accountable and nimble, and thus more effective in pursuing these objectives.

Before we dig into the details of the individual accounts, it is worth putting into perspective the relative scale of the funds we are requesting. As Secretary Kerry pointed out when testifying before this Committee in February, the United States' foreign policy budget totals approximately \$50.3 billion. That is roughly one percent of the entire federal budget. One percent. And today, we are talking about just a small fraction of that small foreign policy budget. How small? The total request for the three accounts that fund the UN and affiliated organizations – CIPA, CIO and IO&P – totals approximately \$4.8 billion. That comes out to less than one-tenth of one percent of the United States federal budget. One-tenth of one percent. That is an important scale to keep in mind as we discuss the relative increase and decrease of the requested accounts.

That sense of scale does not mean we should not work relentlessly to maximize the impact of every dollar we contribute – we should and we must. Nor does it mean that \$4.8 billion is an insignificant contribution – it is substantial, and far more than any other country contributes to the UN. But it is worth remembering – even with a clear-eyed view of the limitations of the United Nations – that we are getting a lot of multilateral leverage out of a relatively modest proportion of our overall budget.

This year, as the Committee will note, some of our account requests have increased compared to last year. For example, we have asked for increased Contributions for International Peacekeeping Activities. Yet it would be a mistake to conflate such requests with a lack of fiscal discipline or

the declining efficiency of our contributions. In reality, we are not only getting the UN to do more to fulfill its mandate, but also ensuring that it does its job more efficiently.

First, we are making the UN more fiscally responsible. Take the example of peacekeeping. Since the 2008-2009 fiscal year, the cost per peacekeeper has actually been reduced by 18 percent, when adjusted for inflation. And through tough negotiations with G77 countries, we have prevented reimbursement rates from rising dramatically. In addition, we have strongly supported the UN's Global Field Support Strategy, which aims to optimize the delivery of support to peacekeeping operations, through streamlining and sharing resources across missions. The strategy's implementation saved some \$250 million in peacekeeping costs during the 2012 to 2013 financial period, while improving the access of forces in the field to critical start-up resources.

We have also worked with the UN to change the way it awards air service contracts for peacekeeping operations. In 2014, these contracts accounted for some \$770 million. Yet under the previous system, Russian companies enjoyed a near monopoly, thanks in part to subsidies by their government. The new Request for Proposal (RFP) process, which we played a leading role working with the UN to adopt, has helped level the playing field, enabling companies from other countries to compete. In the first RFP process held last year, a Western company won a helicopter contract for the first time in twenty years. That company happened to be American.

We are applying this same sense of fiscal discipline across the UN system. We have limited increases to the 2014/2015 budget to 2.2 percent, compared to 4 percent or higher in previous two-year periods. We have led efforts to slow rising staff costs – the main driver of UN budget growth over the last decade – through pay freezes dating back to 2012, and which will extend at least through the end of 2016, affecting some 30,000 UN staff across twenty-four UN organizations. And we are actively pursuing additional efforts to reduce staff costs by rationalizing headcounts and compensation costs in these organizations.

Second, we are making the UN more accountable. We succeeded in requiring the permanent public disclosure of audit and evaluation reports for the organization, which began on January 1, 2015. We are working to ensure that the UN and its agencies follow best practices in protecting whistleblowers – and where they do not, to strengthen those protections – using the leverage that Congress provided to withhold 15 percent of U.S. contributions to organizations that do not effectively protect whistleblowers from retaliation. We helped secure the establishment of an independent Inspector General-like office responsible for evaluating the performance and readiness of peacekeepers in the field. And we helped obtain an unprecedented prohibition on some payments to individual soldiers or police from UN peacekeeping missions found to have engaged in misconduct, including sexual exploitation and abuse. We know the real measure of

this reform will be in its implementation, and we intend to focus on ensuring the UN follows through on this commitment.

In order to continue to push for these and other much-needed reforms, it is essential that we pay our UN contributions on time and in full. When the United States is unable to pay our bills, we undermine our ability to advance our national interests. Some argue paying up front essentially gives the UN a free pass. But the opposite is true. When we don't pay our bills, we lose leverage in pressing for the reforms the UN needs; plus, we undermine our credibility in urging other countries to pay their dues on time and in full, which ensures the burden does not fall disproportionately on us.

In closing, we are tireless in our efforts to make the UN more efficient and maximize the impact of our contributions to advance our national interests and fulfill our duty to the American taxpayer. But we are also rigorous because we recognize that, when we right-size a peacekeeping mission and free-up surplus troops, we can redeploy those blue helmets to another crisis, where they can protect children from being recruited as fighters, and prevent communities from being massacred. We recognize that when we streamline the delivery of humanitarian assistance, we free up resources like medical supplies, tents, and rations that can be directed to other people who need them to survive. The bottom line is simple: when we save resources, we help save lives.

Ambassador Samantha Power



Ambassador Samantha Power is the U.S. Permanent Representative to the United Nations and a member of President Obama's Cabinet. At the United Nations, Ambassador Power works to advance U.S. interests, promote and defend universal values, and address pressing global challenges to global peace, security, and prosperity.

Prior to serving as U.S. Permanent Representative to the United Nations, Ambassador Power served as Special Assistant to the President and Senior Director for Multilateral Affairs and Human Rights on the National Security Staff at the White House. In this role she focused on issues including UN reform; LGBT and women's rights; the promotion of religious freedom and the protection of religious minorities; human trafficking; and democracy and human rights.

Before joining the U.S. government, Ambassador Power was the Anna Lindh Professor of the Practice of Global Leadership and Public Policy at Harvard University's John F. Kennedy School of Government, teaching courses on U.S. foreign policy, human rights, and UN reform. She was also the founding executive director of the Carr Center for Human Rights Policy.

Ambassador Power is the Pulitzer Prize-winning author of "A Problem from Hell": America and the Age of Genocide (2002) and Chasing the Flame: Sergio Vieira de Mello and the Fight to Save the World (2008), the basis for the award-winning HBO documentary, "Sergio." She is also the recent co-editor of The Unquiet American: Richard Holbrooke in the World (2011). Ambassador Power began her career as a journalist, reporting from places such as Bosnia, East Timor, Kosovo, Rwanda, Sudan, and Zimbabwe, and contributed regularly to The Atlantic Monthly, The New Republic, the New York Review of Books, and The New Yorker Magazine.

Ambassador Power immigrated to the United States from Ireland at the age of nine. She graduated from Lakeside High School in Atlanta, Georgia and received a B.A. from Yale University and a J.D. from Harvard Law School. She is married to Cass Sunstein, with whom she has two young children.

Ms. GRANGER. I will have the first question.

Madam Ambassador, one area of the reported nuclear deal with Iran that is troubling to me is the removal of all U.N. resolutions regarding Iran's nuclear program. The Department of State's fact sheet on the parameters of the agreement states all past U.N. Security Council resolutions on Iran nuclear issues will be lifted simultaneously with the completion by Iran of nuclear-related actions addressing all key concerns. The lifting of all U.N. Security Council resolutions related to Iran's nuclear program strikes me as quite a concession.

I have questions such as: What is the rationale for the immediate removal of such resolution? Can you clarify the timing of the removal of sanctions? Exactly what obligations must Iran meet under the agreement? Does the promise to remove U.N. resolutions include the U.N. Security Council resolution that covers the sale and/or transfer of conventional arms and ballistic missile technology? If so, how can we credibly assure our allies in the region that their deep concerns about Iran's nuclear program, as well as Iran's aggression in the region, have not been dismissed?

Ambassador POWER. Thank you, Madam Chairwoman.

There is a lot there. So let me try to take a number of those issues in turn.

First, let me stress a point I made in my opening statement, which is how central the U.N. Security Council has been to reinforcing what this body and the Executive have done in putting pressure on Iran that brought them to the negotiating table.

I do want to distinguish that the sanctions definitely are responsible for the kind of economic pressure that Iran faces that has caused them to make a very large number of concessions that many would not have expected. However, those sanctions did not succeed, as you know, in dismantling Iran's nuclear program.

Indeed, before the Joint Plan of Action, the estimates on Iran's break-out time were 2 to 3 months. And we are looking at 19,000 centrifuges and so forth that will have to be now dialed back as part of this agreement.

So, again, the multilateral effects are very real and they are why we are in a position, we think, to peacefully and verifiably ensure that Iran's nuclear program is for peaceful purposes only.

With regard to your question, I think the most important point to stress is that Iran has to take a whole series of nuclear-related actions, actions at Iraq, action at Fordow, action at Natanz, actions, again, to greatly reduce the number of centrifuges down from 19,000 to some 6,000, the kilograms of enriched uranium, the quality of that uranium.

All of those steps have to be taken before anything is done in New York and before any additional sanctions relief is provided. And those steps will need to amount to us having confidence that Iran's break-out time has gone from the 2 to 3 months, where we are now, to more than a year. And that is, again, with those steps that have been outlined in the parameters document would bring about.

So that is going to take some time. The estimates range from 6 months to 1 year. But, again, there will not be relief on the nuclear-related sanctions until those steps have been taken.

Second, I think, if I may just underscore, that this relationship is—excuse me—this framework is not a framework predicated on trust. That is why, again, we have to await the completion of those steps before you would see Security Council resolutions.

What we would do in New York, if this went forward, is, yes, lift the prior resolutions. But we would, of course, need to put in place a mechanism for ensuring that many of the sanctions remained.

The conventional arms and the ballistic missile sanctions we believe should remain for some time. There will need, of course, to be the enshrinement in a Security Council mechanism of the nuclear-related commitments that Iran is taking on. And we are going to need to create some kind of procurement channel such that any acquisitions or purchases that Iran is contemplating making that might be dual use would have to get approved through this procurement channel.

So by no means is it the case that, willy-nilly, we look and see that a deal is signed and then the Security Council sanctions that have been so critical to bringing us to this place simply melt away. Quite the contrary. We are looking at a phased approach and, again, one that we think leaves us in a much stronger position to ensure Iran's—the peaceful nature of Iran's nuclear weapons program.

And if I left out any part of your question, please——

Ms. GRANGER. I will come back to it.

Mrs. Lowey.

Mrs. LOWEY. Thank you again.

And thank you for your service.

Since 1948, the United States has been a steadfast defender of the State of Israel at the United Nations. I am troubled by recent reports and press statements by the administration that the United States would “reevaluate our approach,” which could signal a shift in position at the United Nations. I believe it is in our national security interest that the United States unequivocally continues to stand by our democratic partner, Israel.

Is it still the position of the administration to veto one-sided anti-Israel resolutions at the U.N.?

Ambassador POWER. Thank you, Congresswoman.

I have worked tirelessly, Ambassador Rice has worked tirelessly, our predecessors in this job have worked tirelessly, to defend Israel's legitimacy and its security at the United Nations, and we will absolutely continue to do that.

When there was a discussion about reevaluation, I want to be very, very clear that there was no contemplation and will never be a contemplation of reevaluating our deep security and deep partnership and friendship, relationship, with the State of Israel. As you know well, the military, the security, and the intelligence ties are as deep as ever.

We have just in the same period that there have been some comments made in the public have achieved things working with the State of Israel in the United Nations that many would not have thought possible, such as something I mentioned in my opening statement, which is the first-ever General Assembly session dedicated to combating anti-Semitism, which occurred in January.

So, too, of course, we just last fall opposed 18 U.N. General Assembly-biased and one-sided resolutions against Israel. And, indeed, in December, as you know, not only did I vote no on a hastily produced, one-sided resolution, but, also, I and Secretary Kerry and the President were able to mobilize a coalition to join us. So we will, again, continue to work extremely closely with Israel in New York.

And, you know, as you know well, we have a record of standing when it matters for Israel. I think the one thing that is important to point out is there have been occasions, such as last summer during the Gaza crisis, where we worked with the State of Israel itself and our Israeli colleagues in New York on a Security Council resolution, and that never came to pass. It never actually came to a vote because we were not able to secure sufficient support for it across the Council.

But, again, we will look to see what will advance Israel's security and what will advance peace in the region and stand, again, consistently for Israel's legitimacy and security.

Mrs. LOWEY. I appreciate your comments.

So the language that was repeated in several print reports, "re-evaluating our approach," what did that mean?

Ambassador POWER. Well, again, to distinguish a couple aspects of this, we and our predecessors and, I think, all of you have long supported a two-state solution achieved through a negotiation process.

Because of some of the comments that were made in the election period, it wasn't clear—and I will note, also, some of the actions of the Palestinians as well, of course, which were alluded to you in your opening comments—it isn't clear what the prospects for those negotiations are.

So our objective, as an administration, again, which I assume is a shared objective, is: What can we do to defuse tensions? What would it take to get those negotiations back on track?

And so those are the kinds of questions President Obama is asking. And as the new Israeli Government comes together, we will be in close contact with our Israeli friends to think through again what would lead us to the destination that we all agree is in the interest of both the Israeli people and the Palestinian people, which is the achieving of a two-state solution through a negotiated process.

Mrs. LOWEY. I appreciate those comments.

Certainly, as long as I have been in Congress, I have been hopeful that there would be a two-state solution through a negotiation process. That is why it was so disturbing when the administration made that statement, that they were reevaluating their position at the United Nations. I am hoping, as I hear you, you are walking back that position and that position is not the position of the administration.

Ambassador POWER. What I am saying is that we are looking at how we can support what we have long supported, which is efforts to secure a two-state solution. And in order for a two-state solution to come into existence, the parties will have to reach agreement with one another. Absolutely.

Mrs. LOWEY. I wanted to make that absolutely clear. Because the history is clear, if you go back to Oslo and Taba and all the very serious negotiations. And in many of them, it was the Palestinians that walked back and walked away, as you know, whether it was President Clinton or President Bush.

I do hope that in our lifetime we can see a two-state solution that is negotiated with both parties and we can see peace in that region of the world. So I thank you very much for your comments.

Ambassador POWER. Thank you, Congresswoman.

Ms. GRANGER. Mr. Diaz-Balart.

Mr. DIAZ-BALART. Thank you very much.

Ambassador Power, good to see you. In this administration, you tend to be, sometimes the lonely voice in speaking up for human rights around the world, and I commend you for that.

I have a couple of specifics. Last week in the Summit of the Americas in Panama, a group of Cuban pro-democracy activists, as well as a number of American citizens, were attacked by, among others, the head of the Cuban Intelligence in Venezuela, Colonel Alexis Frutos Weeden.

By the way, after the attacks, the U.S. citizens were the ones detained. I have a picture here, Madam Chairwoman, of this colonel attacking an American citizen. By the way, there are multiple videos that show that it was not a fight. It was an actual attack, it has been shown already and expressed by the press.

So this is the head of Cuban Intelligence in Venezuela attacking a U.S. citizen. This picture is of two individuals. The one with the two black eyes is an American named Gus Monge. The other woman is a woman from the Damas de Blanco, the Ladies in White, named Leticia Ramos. They were among the attacked.

And, again, here we have a picture of the Americans and the Cubans who were accompanying them who were the ones who were detained for being attacked.

Here is my specific question. Now, that we know that it was members of the Cuban regime who attacked these folks, unprovoked, and now that we know that there are multiple videos showing that, what specifically is the United States going to do to hold the Cuban regime accountable for this egregious attack on American citizens—violent attack on American citizens and Cuban activists in Panama?

Ambassador POWER. Thank you, Congressman. And thank you for being so outspoken on human rights in Cuba and well beyond.

Let me just say that, while I know that there are differences of opinion up here on some of the moves that the Obama administration has made with regard to Cuba—it is probably an understatement—we do sincerely believe that the engagement we now have with this regime is going to give us more leverage over time. That said, the human rights conditions in Cuba remain deeply disturbing.

Mr. DIAZ-BALART. Madam Ambassador, my time is so limited. Specifically, we had Americans attacked, violently attacked. I showed you that. We know who attacked them. We have videos that show that they were attacked.

What specifically is the United States going to do to hold accountable those in the Cuban regime who attacked U.S. citizens?

Speaking of leverage, now, supposedly, we have more leverage. All right. What specifically are we going to do? What are we doing to hold those folks who attacked Americans? I don't remember, I am sure it happens, but it is rare when Americans are attacked by folks from another embassy where we have videos. What are we going to do to hold them accountable? What are we doing?

Ambassador POWER. Well, first of all, I would welcome the facts that you have, which I don't have the details that you have. I did myself issue a statement, as, I believe, did the State Department, on the attack when it occurred.

Mr. DIAZ-BALART. And we can usually count on you doing that, and I am grateful for that.

Ambassador POWER. But I think, again, we now have channels in which these issues get raised. We are in a process of normalization. Right? We are not going from zero to 60 overnight. We are in constant dialogue with you. We are in constant dialog with Cuban civil society.

So, again, as this process moves forward, it is our job to show those individuals who exercise their peaceful rights that we have their backs, that we will defend them, and that we will raise incidents like this, again, through every channel that we now have with the Cuban authorities.

I will have to take back the question on this specific incident—

Mr. DIAZ-BALART. Please, Ambassador.

Ambassador POWER [continuing]. On basis of the limited details that you—

Mr. DIAZ-BALART. Please, Ambassador, very briefly in the 30 seconds that I have.

In July, a ship sending illicit arms to North Korea was captured, was intercepted in Panama. You have been very vocal on that.

What are the consequences for the Castro regime for sending illicit arms in violation of the U.N. Sanctions to North Korea?

So far, the consequences have been a meeting with the President of an hour, even though the President didn't meet with the Prime Minister of Israel when he was here, but he spent an hour with the dictator of Cuba and his family. So far, the consequences of the North Korean shipment or of all these other atrocities has been recognition, normalization.

What specifically are we going to do to make sure that the Castro regime is being held accountable for shipping illicit arms to North Korea?

Ambassador POWER. Well, as you know, that incident occurred before the normalization process was announced in December. So, again, I think it does highlight that the—in the prior—with the prior administration's policy—this administration's prior policy in place, we still were—

Mr. DIAZ-BALART. Except the negotiations have already taken place, Madam Ambassador.

Ambassador POWER [continuing]. Incidents along the lines that you are describing.

In New York, what we have done is condemned Cuba for its involvement in that incident. We have secured something that sounds very bureaucratic and technical, but in my world is important, which is an implementation notice out of the actual Sanctions

Committee which documents Cuba's role in this, which is something they and the other parties involved strongly objected to. Our challenge, as you know, is the nature of the Security Council and the permanent memberships and those who stand in the way of more significant action.

But, again, these are precisely the kinds of incidents that we will not change our response to. We will continue to work through the Sanctions Committee. We will continue to speak out. We will not pull our punches on violations of international law.

Mr. DIAZ-BALART. Ambassador, thank you.

Thank you, Madam Chairwoman.

Ms. GRANGER. Ms. Lee.

Ms. LEE. Thanks very much.

Good to see you, Madam Ambassador.

Ambassador POWER. Good to see you.

Ms. LEE. Let me just follow up with regard to the discussion you were having with our ranking member and just agree with her that I believe that the two-state solution is the only option that is going to achieve peace and security in the region and, also, for the United States.

I also know—well, let me just say I have legislation, actually, that I have introduced for several years now calling for Congress to go on record supporting a two-state solution and the peace process.

Having said that, I want to make sure we are clear that it is important that both sides, Mr. Netanyahu and Mr. Abbas, agree that a two-state solution is the ultimate outcome and achievable and what they are seeking, also.

And I know during the last few months, we have had some dialogue back and forth with regard to whether or not Mr. Netanyahu wanted a two-state solution and this process to move forward. So I hope that this chain of events that has taken place since then, that we are back to now agreeing that the Palestinians and the Israelis deserve a two-state solution and that we are going to encourage that to continue.

And I think that the U.N. is going to be very important in your role in that. But I do know we have a little bit of history on what took place as it relates to a concern about whether or not the two-state solution was still a viable option in both parties' policy as well as throughout the region.

Now, let me just thank you for a minute with regard to working with us to secure the contribution for the permanent memorial at the United Nations in honor of the victims of slavery and the transatlantic slave trade, which this committee supported. It is really important that the United States and the United Nations represented us at the unveiling on March 25.

So I have to thank you, Ambassador, for that and, also, Ambassador Michele Sison, for ensuring U.S. participation. The African American community is deeply appreciative of the involvement of our country in that transatlantic slave trade memorial.

Boko Haram. You know, this is—1 year now marks the kidnapping of over 200 Nigerian girls. Now, having said that, there are over 800,000 girls that have been abducted from their homes in Ni-

geria totally. It is very important that the U.N. continue its involvement and the United States.

We supported the U.N. Security Council's resolution calling for adding them to the sanctions list. Congressman Honda and Pittenger and myself, we sent you a letter and we asked that they be included. And you did. And I guess these recent events now have shown us that we have got to do more.

So I am wondering what the United Nations is doing and what we could do to support the international community to address the kidnapping of these young girls and Boko Haram's horrific actions in Nigeria, but now also their connection to ISIS and what you see as the next steps.

Ambassador POWER. Thank you, Congresswoman Lee. And thank you for your leadership on the slavery memorial, which is important not only, as you know, in commemorating the horrors of the past, but also because of the very real occurrence of slavery in the present, including, probably, the fate of the girls and how they are living, those that are still in the presence of Boko Haram or being coerced by Boko Haram.

On Boko Haram, in brief, bilaterally, as you know, we right from the beginning offered up intelligence and other assistance—basically, any assistance the Nigerian Government wanted in order to respond to Boko Haram's capture not only of those girls, but, also, Boko Haram's rampage through the northern part of Nigeria.

We have also been very supportive of the regional—the so-called multinational task force that has come into existence now with Chad, Cameroon, Niger, and Nigeria, trying to actually contest Boko Haram militarily. We recognize that it is not a military solution alone, of course, because the governance issues and the economic deprivation in northern Nigeria is going to need to be addressed over time.

It is similar—you mentioned ISIL. They have, of course, proclaimed allegiance to ISIL. Similar to our anti-ISIL efforts, you need all the different lines of efforts on messaging, on cutting off financing. And, again, there needs to be a military component.

Because of the election in Nigeria, we see ourselves now at a crossroads where this effort can be ramped up significantly. The President-elect Buhari has committed himself. He made this a campaign issue.

And we are hopeful that, with Nigeria determined to tackle, again, the underlying issues in the north, but most specifically to find out where the girls are, not just the 200, but what could be many more than that, and not just girls, but, of course, boys who were pulled out of classrooms and shot in the head just for wanting to learn—Boko Haram meaning education is forbidden—but with Nigeria at the core willing to help resource this with our support bilaterally and for the force itself and with our, again, continued messaging that it needs to be military, but, also, a whole set of other steps to be taken, that we can move into a new phase.

Just recently, in the tail end of the election season in Nigeria, Nigeria began to step up its involvement in the north and Boko Haram is on its heels far more than it has been. But until they are eliminated entirely, no boy, girl, or citizen in that part of Nigeria or now into Chad and Cameroon and Niger is safe.

Ms. LEE. Thank you very much.

Ms. GRANGER. Thank you.

Mr. Rooney.

Mr. ROONEY. Thank you, Madam Chair.

Thank you, Ambassador. And I want to say personally I appreciate your work in the past with issues dealing with Northern Ireland. As somebody who worked for Seamus Mallon back in the old days for the SDLP, it is much appreciated.

I want to follow up with something that Congressman Diaz-Balart brought up. One of the big issues that I think is important for any Cuba normalization process—and I wanted to get your take on whether or not you think it is part of it—are the constituents that came from Cuba that have property claims felt like, when they left, they would be returning in short order and weren't able to because of the Castro regime seizing their property.

Part of the normalization process, in my mind, I think is property claims—land, homes, businesses. Is this going to be part of any negotiation for normalization for Cuban exiles in Florida who are still alive and believe that, once the Castro regime would fall, that they would be able to reclaim that property?

Ambassador POWER. Thank you, Congressman.

Let me say that we are now at the very early stage of the normalization process. And so the dialogues that we have begun are dialogues on whether or not we can establish diplomatic relations, dialogues incumbent—necessary in order to establish diplomatic relations to reopen embassies, perhaps.

And we have started substantive dialogues in talking about issues like trafficking in persons, which we were just discussing, communications, telecommunications, information exchanges, et cetera. But we absolutely believe that these channels need to be used to push issues that are of concern, of course, to American citizens, to people living in this country.

That includes human rights, which we spoke briefly about. It includes property claims and property—efforts at property restitution. There are issues of U.S. fugitives who are present in Cuba that we can't ever forget about and need to work through a law enforcement dialogue.

So, again, we are at an early stage, but nobody is losing sight, again, of the needs and the demands of American citizens.

Mr. ROONEY. I know one of the arguments is like, "Well, we do certain business with China and other countries that are communist"; but I think that what is lost in the whole dialogue is that we have constituents in our State, in our districts, that come to us and ask us and beg us to address this issue. And, you know, Mario obviously is much closer to this than I am. But it is so much more real than just doing business with countries like China, and trying to compare those two things is just wrong.

One of my other questions I had is kind of a political question, but I am just curious. How is your job affected by the policy positions that the President takes, whether it is with regard to Iran, Russia, what have you, and the other people that you deal with, knowing that whoever the next President is going to be, whether it is Hillary Clinton or somebody on the Republican side, might do things differently? Do you get a sense that people sort of hedge

their bets or do you just have to go with what you have right now and that is the reality that you live in? Do you do any kind of future planning?

Ambassador POWER. Well, I think, like my predecessors who would have been in similar situations, living through the beginning now of the presidential election cycle, we have to do just what is in the interest of the American people.

And the U.N., in particular, if we are to reform, let's say, peacekeeping and deal with sexual assault by peacekeepers or deal with peacekeepers who duck and cover instead of protecting civilians, we have to make investments now that may not even see their full return, you know, until 2 or 3 years hence.

But I think there is a certain continuity, again, in the commitment that Americans have to defending Israel's legitimacy and security within the U.N. I think we have something resembling a bipartisan coalition that recognizes that we are in a stronger position when we have paid our dues and when we are leading from a position of strength. And so that is something the Obama administration has been able to—working very closely with this committee, has been able to ensure.

And there is such a great commitment on the part of the American people, including constituents, off in places you wouldn't always expect, to atrocity prevention, to trying to counter monstrous entities like Boko Haram or Daesh.

So, again, things happen far more slowly than I would like at the U.N., in part because we have got to herd the cats of 193 countries or, in the case of the Security Council, 15 countries. And so we need to just keep plugging along on the reform agenda, on the strengthening peacekeeping agenda, and on the—again, defending Israel's legitimacy and security.

And I hope that, whatever happens in November 2016 or in January 2017, that we have left a stronger U.N., that our interests are better advanced within the organization, and then we hand off the baton to somebody who is running quickly and will carry that cause forward.

Ms. GRANGER. Thank you.

Mr. Ruppertsberger.

Mr. RUPPERSBERGER. Thank you.

Ambassador, thanks for being here today.

I am going to change to threats worldwide, global threats. And I think one of the most severe threats that we deal with, other than the issue of weapons of mass destruction and issues such as terrorism, is cyber and what is happening in the world, whether it is attacks like China, as an example, stealing billions of dollars—another country, Russia—from United States and other countries, including a lot of our allies, but, also, the destructive attacks, which was really Sony, the first time we had a destructive attack in the United States.

I am wondering, from a United Nations point of view, dealing with all these countries, where is the status of the cyber issue? Have we taken a position on how to deal with this problem as far as cyber is concerned? And if, in fact, we are able to prove or the United Nations—and I don't know what mechanism that would be—that we can show that certain countries like a North Korea or

someone would make those attacks, would the United Nations be in a position to introduce sanctions in order to punish or use as a deterrent?

Ambassador POWER. Thank you so much for the question.

Let me start by agreeing wholeheartedly with the premise that cyber threats are one of the most serious national security threats that the United States faces and it is something that we are seeing now take effect around the world. Even the Vatican's Web site, apparently, was hacked just over the last couple days.

Mr. RUPPERSBERGER. It is going to keep happening all over the world.

Ambassador POWER. It is going to keep happening.

So I think what you saw, of course, in response to the horrific North Korean attack on Sony is that we moved out with a very strong executive order, so a unilateral action within our own capability.

I went door to door in New York to my Security Council counterparts and made it very clear that this was not something that one could consider sort of off to the side as something—that it was something that actually had the kind of economic and even physical effects of a more conventional attack, I mean, insofar as Sony being shut down. Of course, there was also the coercive part of that.

I raised this issue in the Security Council in the session I mentioned that we convened on the human rights situation in North Korea because, usually, the human rights atrocities that a regime is committing is also a canary in the coal mine in terms of other threats of this nature.

So we are looking, I think, at what the next step is to ensure that other countries, again, see this as being a threat of comparable gravity at times, again, to the more traditional attacks that the U.N. is used to dealing with.

We are not there yet. I mean, it is not the case that we could move swiftly in the Security Council, particularly given the presence of the permanent members who might resist this, again, to get people to see this like other kinds of attacks. But we are moving out with information-sharing, with technical advice as to how countries and companies around the world can strengthen their defenses against these kinds of attacks.

And now that we have just put in place the cyber executive order, which goes well beyond the attacks carried out by North Korea, I think that is something that we will seek to multilateralize both within the U.N. framework and then, of course, through regional cooperation agreements.

Mr. RUPPERSBERGER. From your role as Ambassador to the United Nations, give an example of China. China has been stealing billions of dollars from our country and other countries throughout the world.

The good news for the United States—because a lot of that information was classified—a company called Mandiant was able to show the connection between the Chinese Government and their military and a lot of these attacks. And Mandiant's customers were The New York Times, Washington Post, major companies.

And we had the information, but, yet, it is important that we also continue to have a relationship with China because of who they are, how powerful they are, the fact that we owe them a lot of money, but we still—you know, need to deal with them. And I think the best way to deal with China is through commerce and that that hopefully will pull us together.

From your role and knowing, as an example, the evidence that we have with respect to China and your role in the United Nations, how would you handle the Chinese situation, as an example?

Ambassador POWER. The Chinese situation——

Mr. RUPPERSBERGER. Attacking us, we had the evidence that they attack us. What we need to do is to get China to grow up and get other countries to help us with a global type of system to handle these cyber attacks, because they are literally stealing from countries all over the world trade secrets, that type of thing. It has been estimated that in the United States, there are over a billion dollars stolen every year.

How do you see that in the framework of your job as the Ambassador to deal with this at a global level? Because it is the only way in the end. We can have our laws and try to do that in the United States, but it is not going to stop if we don't deal with the global issue and have sanctions or some type of deterrent to have these other countries deal with it as well.

Ambassador POWER. Yes. So let me start by saying that, again, I think the bilateral tool that we have now put in place through this executive order—the cyber executive order can be really impactful because, when there are significant harms carried out by either companies or government institutions or private hackers who have government affiliations, this is a tool that we can use in order to hold accountable, punish people who do that, and deter and, indeed, incapacitate, deny their access to resources that they might use in order to sort of strengthen their arsenal in these aggressive actions.

The challenge, which I alluded a little to implicitly before, in terms of U.N. Security Council action is that China is a permanent member and a veto holder. So our ability to move beyond the bilateral through the Security Council turns on China's willingness to support such an effort.

Mr. RUPPERSBERGER. My time is up. But I would suggest that we really focus on this as a high priority, especially within the Security Council, on these countries that are cyber-attacking other countries throughout the world.

Ambassador POWER. I agree with that.

And if I may just add one point, just because we may not be able to move an enforcement action through the Council does not mean we can't use the bully pulpit of the council or use that forum in order to raise the alarm either about one country's actions or about the threat as a whole.

Mr. RUPPERSBERGER. Thank you.

Ms. GRANGER. Thank you.

Mr. Dent.

Mr. DENT. Thank you, Madam Chairwoman.

Good afternoon, Ambassador Power.

I would like to return this discussion to the Iranian nuclear negotiations for a moment. Secretary Kerry and others in the administration have said that enhanced sanctions at this point, if they were to be imposed by Congress, would not be realistic because our negotiating partners really are champing at the bit to do business with the Iranians. Yet, we are told that sanctions will snap back in the event that there are some kind of major violations of this agreement.

Now, it seems to me like that is wildly unrealistic. How could we expect sanctions to snap back at a time when we know—it seems that the Russians right now are lifting their sanctions by selling these anti-aircraft missile systems to the Iranians, which would basically prevent the United States or other nations from enforcing a nuclear agreement if the Iranians were to have violated it.

So the question is: Do you think it is realistic that sanctions would snap back in the event of a serious violation, given the Russians and the U.N.? I mean, I can't imagine they would support us on this.

Ambassador POWER. It is an excellent question. It gives me an occasion to respond to one of Congresswoman Granger's questions or issues she raised in her opening statement. So let me try to take a clean shot at this.

First, let me distinguish the two kinds of sanctions that we are talking about here and that have brought Iran to the negotiating table. The first are the very significant bilateral sanctions that we have brought to bear, including Congress's licensing and the Executive's use of secondary sanctions against those countries doing business with Iran.

Those are extremely important. And they were reinforced and amplified by one of the toughest multilateral sanctions regimes in history, which was achieved over the course of several resolutions up in New York.

So it is, I think, implicit in your question. But just so everybody is on the same page, of course, we will retain as the United States the U.S. sanctions architecture as we see the extent to which this deal is implemented, as we see inspectors seeking access to sensitive sites and whether or not they are able to secure that access. In other words, we retain a huge amount of power and snap-back capability ourselves well beyond the U.N. Security Council.

Mr. DENT. You think those snap-back sanctions will be effective without our international partners?

Ambassador POWER. Well, particularly because we have the ability to put in place secondary sanctions and because so much of the world's business occurs in U.S. dollars and because so many companies want access to U.S. markets, I do.

But I think your question on the second layer, which is the U.N. Security Council, is still very important. And I want to assure you that we are not going—we are going to secure an arrangement to allow for snap-back in New York that does not require Russian or Chinese support.

So we are not looking at a situation where, in order to snap back, we would have to do a separate new resolution along the lines of what we did in 2010 because we recognize that today's Russia, frankly, is a different Russia than that in 2010 and we want to re-

tain this authority and this capability, again, within our own power.

Mr. DENT. So you are saying to me that snap-back sanctions on our part would be effective—given Ayatollah Khamenei recent comments about the framework, which are completely contradictory to what we are saying publicly, why would not enhanced sanctions, if we were to impose them now congressionally—why would they not have an impact, but snap-back sanctions would?

That is where I am having a big disconnect. If we passed enhanced sanctions by Congress, we were told, “This is unrealistic. It won’t work. Our partners won’t support us. We will be isolated. We will be on our own,” yet, at the same time, if the Russians and the Chinese won’t participate in the snap-back sanctions, our sanctions—our enhanced sanctions will somehow be effective—I don’t understand. I feel like I am hearing two different—

Ambassador POWER. There is a very clear answer to that.

Right now Iran is in compliance with the JPOA. The IAEA has—people have expressed, including earlier, a lot of skepticism about the IAEA’s ability to verify. It has been granted the access it needed to verify. In the one instance, it raised an issue with Iran of concern. Iran addressed that issue.

So you are looking at a JPOA that has been respected and, thus, the idea of imposing sanctions at this point would seem very much at odds with the recent—recent only—but the recent track record to distinguish that then from the scenario that we were talking about earlier, which is a snap-back scenario, which is when Iran is in violation of any future comprehensive agreement.

And that violation would be clear by virtue of the fact that either IAEA gets the access it needs, reports that Iran is carrying out the nuclear-related steps that it has pledged to—these are very different scenarios.

Mr. DENT. I see my time has expired. I just want to conclude with is, it just seems to me that our Russian partners seem to be sitting on the other side of the table right now, given what I just learned about what they are selling to the Iranians now, and I just don’t have a whole lot of confidence that the U.N. is going to be an effective partner with us at this point in the event that there is a violation, given that the Russians seem to be allied and partnered with Russia not just on this issue, but many other issues. They are trying to undermine our power and influence everywhere in the world, including in the Middle East.

Ms. GRANGER. Thank you.

Mr. Serrano.

Mr. SERRANO. Thank you so much.

And thank you, Ambassador, for being here with us and for the work you do in your service to our country.

I am sorry that my colleague from Florida left, my other colleague from Florida, because I wanted to make a statement before I ask a question. And that is that, in negotiating with Cuba, it is going to have to be a game of give-and-take because, yes, we have claims on the Cuban Government.

There are Cuban Americans who feel they have lost property. Whether they abandoned that property or not is a question that has to be settled. There are American corporations that lost prop-

erty in Cuba rightfully—not rightfully—but they did actually lose the property, and that has to be settled.

But then I always bring up something that makes people sitting in your chair at different hearings kind of scratch their head because, in all honesty, most people hadn't thought about it, and I hadn't thought about it for years. And that is that one of the most popular types of music in this country is salsa music. And salsa music, anybody who is into music knows that it is a New York creation of many Cuban rhythms.

And for years what we have been dancing to and listening to in salsa was compositions and arrangements that belong to Cubans in Cuba who may no longer be alive, but whose relatives are alive, and not a penny was ever paid in royalties to them.

And I have spoken to some people in the business who tell me we could be talking about hundreds of millions of dollars, if not more. And when you see a movie and you see Latin music in the background, chances are it was something written in Cuba by someone who didn't leave Cuba, who stayed in Cuba, and never got a penny. So those discussions are both-sided.

Then you have the issue, yes, there are people living in Cuba that this government would want over here for allegedly or actual crimes that were committed here. But the Cubans have a list of people who are hanging around the 50 States and the territories who they claim have sabotaged and done other things in Cuba.

So my whole point is that it is not a one-sided issue. These negotiations will continue to be very delicate because we have claims on them, but they have claims on us, too. And some artists are going to come into a lot of money, except there are no records of how much we owe them.

But I just wanted to do—ask you one question because my time will run out, and that is: In light of the President's plan to remove Cuba from the state-sponsored terrorism list, which I strongly support, how can the U.N. be of help to the United States in normalizing diplomatic relations with Cuba? In other words, taking Cuba off the terrorist list, is that a plus for our getting more support from the U.N. to help us with this whole issue?

Ambassador POWER. Thank you, Congressman. And thank you for raising the other issue, which I confess I had not reflected on before, despite being a big fan of salsa music.

With regard to the U.N., what I can say is, up until the President's decisions from December, Cuba has been a very—even to call it a polarizing issue would be probably an understatement.

There is an annual resolution in the General Assembly in opposition to the U.S. embargo against Cuba that usually passes, basically, with the support of a majority of countries within the U.N., but also with only a couple no votes, usually us and Palau and maybe, I think, on occasion, Israel.

We have been very isolated within the international system, which I raise, and—again, given my earlier exchange over Cuba, because I think the steps that we have taken have actually made it easier, I feel, for me to be heard on Cuban human rights issues than I was before.

Because every time I would raise Cuban human rights—and, again, I—Congressman Diaz-Balart, maybe this is just something

I could also direct at you—in the past, when I would raise my human rights concerns—there have been 600 short-term arbitrary detentions of Cubans in the month of March alone. But when I would raise that in the past, all I would hear about is the embargo.

And now I feel I have a clean shot at making the case because the diversion that—and, frankly, this is all that people were doing, was using it as a diversion, but we were very isolated. And now we are no longer isolated, and I think we are in a stronger position to raise our human rights and democracy concerns about Cuba.

That is one example. And we do that whether it is with regard to individual prisoners. We tried for a long time to get an independent investigation into the death of Oswaldo Paya, and I tried that also within the U.N. Cuba—again, this may change—but has had a lot of support from some of the usual suspects, but also from some you wouldn't expect.

And so we want to—again, we are very, very sincere that any process of normalization or—in the event that the state-sponsored terrorism designation goes ahead and is rescinded, that is not—does not mean Cuba gets a pass on the human rights issues of concern.

Indeed, I think that we will be more successful in foraging coalitions and putting more pressure not just from the United States, but also from some of our European friends and others, if we can get, you know, our own issues sort of put to one side and focus on what really matters, which is the fate of the Cuban people themselves.

Mr. SERRANO. Well, I thank you. I thank you for your work on all this. Thank you.

Ms. GRANGER. Mr. Stewart.

Mr. STEWART. Thank you, Madam Chair.

At the risk of repeating myself with some of my peers up here on the stand, I want to tell you a little bit about my background as I make my observation and then a question.

Now, I had the real privilege of serving as a pilot representative when I served in the Air Force to the START II and START III implementation with the Russians, and I learned even as a young captain that this lesson—and I am certain that this is true—and that is, if someone wants to cheat on a treaty such as this, they can find a way to do that. There is no question in my mind that that is true. I could give you many, many examples of why I believe that.

But the reason that those strategic negotiations worked with the Russians and the United States is that there was a modicum of trust between them. We had a generation of having negotiated over previous treaties in which they were carried out and verified, and we believed that we could work with them because we both wanted the same thing.

I don't believe that is true at all with our negotiations with Iran. And I appreciate your efforts to move forward on a very important issue, but I think that you and I or the administration and I view their willingness to comply with the treaty in a very different way.

If I could make one other observation and then I will ask my question. There has been much talk about the snap-back sanctions, and I think you and I would agree that it took extraordinary effort

on your part—and I know that you were an important part of that—an extraordinary effort on the administration in order to put the present sanctions in its place. And I would say that they are fragile, and I think it has surprised many of us that they have held as well as they have.

But imagine, if you would, 2 years from now when multiple countries, thousands of companies with millions and perhaps billions of dollars of investment on the line, and every industry—oil and finance and shipping and aviation—I don't think you are going to see snap-back sanctions. I think it is going to be an ooze-back at best. It is going to be slippery and slimy and full of holes.

And we have already admitted that we will lose China and Russia, and I think we are likely to lose France as well. And once that happens, I don't know how you stop the dam from breaking. Because when other countries see these primary partners violating any snap-back provisions, I don't know how we would dissuade them.

Having made those comments—and I am not asking you to reply because you already have, and we appreciate your response to this point—my question primarily is this, and that is with the IAEA. And many of us are frustrated—and I am sure you are as well—with their inability—and this isn't a criticism of them. It is a criticism of their Iranian partners—their inability to get very specific answers to a long list of questions regarding primarily Iran's military installations and the role that those have played in the development of their previous weapons and atomic weapons—or nuclear weapons programs.

Do you share that frustration? And, if you do, why do you think that they are going to be any better as they try to implement and carry out this agreement?

Ambassador POWER. Thank you, sir.

And I am going to—I am unable to resist the temptation of responding just to your opening comments because they are, of course, very legitimate concerns. And when it comes to the lack of trust for Iran, we share it.

This agreement framework and any ultimate agreement is predicated on a lack of trust rather than trust. That is why we are phasing sanctions. That is why we are talking so much about snap-back. And I will come to your ooze-back point in just a second. But—

Mr. STEWART. Can we agree to call it ooze-back from now on?

Ambassador POWER. I think the Uzbeks would have a problem with that.

But the—I think what is really, really important is the extent of the verification and the transparency regime, the agreement to implement and then ratify the additional protocol, the modified code, which requires them to declare anything not after it is already up and running and built, but, you know, when the idea has struck, and the extent of the presence, which we haven't seen.

The JPOA is only over a finite period of time. I concede that point. But the IAEA has reported compliance. And, as I mentioned earlier, in the instance when it had a concern, it raised that with the Iranians and they complied.

Now, you may say, well, that is just because Iran is on its best behavior because it wants to get the big deal in order to get—

Mr. STEWART. And if I could comment on that—

Ambassador POWER. Yes please.

Mr. STEWART [continuing]. Madam Ambassador, you say Iran is on their best behavior and, yet, look what they are doing from Yemen to Syria, to—

Ambassador POWER. No. No. No. But stick to the nuclear issue. I can—I can speak to the other issue. I deal with the other issues every day on Yemen, on Syria, on Iraq, et cetera.

Mr. STEWART. I know your point. But it is worth making the point as well. This is as good as it is going to get with them.

Ambassador POWER. This is—I am speaking very narrowly about the nuclear issue.

Mr. STEWART. I understand.

Ambassador POWER. I don't think there has been any improvement in Iran's behavior on the host of other issues that you mention and that I—again, that we all work on in cooperation with one another most days.

The—but the fact that every part of the nuclear supply chain is going to be monitored by the IAEA, the fact that we will have in the declared sites, the ones we all know about, state-of-the-art technology, electronic seals, daily access, et cetera.

But coming back to the nuclear supply chain—because that is the issue where the covert concerns get raised—they would, as you know, have to have an entire covert nuclear supply chain, so not just uranium mines that nobody has ever heard of, uranium mills nobody has ever heard of, storage facilities nobody has ever heard of—that takes a lot of work and a whole lot of subterfuge, and we retain the ability that we have demonstrated—we and our Israeli friends and others have—to also have our own independent ways of judging what is going on on the ground.

So we will also see quickly whether or not the IAEA is getting the access that it seeks, and we will have a means of resolving any standoff in that regard that will go in favor of the IAEA. And so we will come to a point at which they are either in violation or they are not.

On PMD, just to say that that is one of the issues along with the changes that need to be made at Iraq and Fordow and Natanz, those questions will need to be answered in the first phase before any relief is forthcoming—

Mr. STEWART. And my time is well expired.

Ambassador POWER [continuing]. Further—any further relief is forthcoming.

Mr. STEWART. Thank you.

And if I could just conclude, reemphasizing what I think both of us have explored here, that if they want to cheat, they can find a way to cheat. Despite all of the details you have enumerated here, they still could find a way to cheat. And the IAEA is very frustrated because they haven't answered their questions, provided information. I am deeply concerned that that will be this case 2 years from now as well.

Ambassador POWER. But they could—the same argument applies, as you know, right now with all of the sanctions in place, the same argument about whether they are able to cheat.

The difference is we will have more inspectors on the ground and more of an ability to catch them. Right now they are at a 2- to 3-month breakout time. The difference is they will be at a 1-year breakout time, which is in the U.S. interest.

Mr. STEWART. I am happy to buy you a beer and continue.

Ambassador POWER. Okay.

Ms. GRANGER. Ms. Wasserman Schultz.

Ms. WASSERMAN SCHULTZ. Thank you, Madam Chair.

Ambassador, welcome. Good to see you.

Ambassador POWER. Thank you.

Ms. WASSERMAN SCHULTZ. I am going to mix things up a little and ask you something not related to Cuba, Iran, or Israel, because I have a sense, even though I just arrived, that that was pretty well covered before I got here. Just a hunch.

I want to ask you a couple of questions that are near and dear to, I know, both me, Congresswoman Lee, Congresswoman Lowey, and Ms. Granger, and that is the way that women are treated and the potential for exploitation and what we are doing about it in U.N. Peacekeeping missions and in U.N.-funded operations.

But I also want to ask you about the notion of training women peacekeepers. I know we know that the challenge in having more women peacekeepers at the U.N. is that there are not a lot of women in military and police roles. So, as a result, there is a very small pipeline.

I recently learned about a special training program that is for female military officers. It was a first-of-its-kind initiative. U.N. Women in India, in partnership with the Center for United Nations Peacekeeping, developed and conducted a special technical course for female military officers. It was in New Delhi and, apparently, there were officers from 24 troop-contributing countries that participated in the course. And it essentially is going to sort of build our bench.

I think, obviously, it is important to have in very specific circumstances a woman on the front lines of the U.N.'s peacekeeping efforts versus men, not that men can't do a very effective job. But, obviously, with cultural sensitivities and gender sensitivities, having more women for a variety of reasons is really important.

So I wanted to ask you about that program, ask you if you knew enough about that model to suggest that maybe we could expand it and use it for training going forward, but, generally what else can we do to train more women and to put more women in peacekeeping roles at the U.N.?

And I will ask you the other question at the same time, and that is just the ongoing efforts to deter sexual exploitation in U.S. Peacekeeping operations. I mean, obviously, there are—U.N. Peacekeepers are operating in countries where there are a lot of challenges, but we have sexual abuse in U.N. Peacekeeping missions similar to what has gone on in our own military. I would like to know what steps are being taken to address that issue because, obviously, anything we can do to reduce and use our leverage financially to effect change there is important.

Ambassador POWER. Okay. Thank you so much, Congresswoman, for the change of pace and for the excellent questions. These are issues very close to my heart, and they should be easier to fix than they are.

In terms of the program that you reference, we are very excited about this. We are constantly talking about it publicly as a way of encouraging more countries to institutionalize programs like this.

We actually just recently passed another Security Council resolution that is the re-up to so-called Resolution 1325, which is the Women, Peace and Security resolution, which sort of set the framework for this now I guess 20 years ago.

And in that we very explicitly called on countries to increase the recruitment of female soldiers and female police within their own militaries and then called on the U.N., also, to make more of a point when it engages a TCC, a troop-contributing country, or a PCC, a police-contributing country, to actually make—send a demand signal that this is what they want.

As you know, the numbers are strikingly small, but we have—I have certainly seen in the field in places like Darfur the effects it has when women police officers are the ones to go and engage young women who have been raped en route to, you know, getting firewood, and it is just a wholly different dynamic.

And the sense of shame and the—you know, trying to tell that story to a male foreign—you know, not even from your own country or your own community, but someone who doesn't speak your language and who is a guy, it is sort of really, really challenging and just, compounds the pain that these people are experiencing.

So we, the United States, I think, since 2005 have trained about just over 5,000 women peacekeepers through our GPOI program, but we also, through our national action plan on Women, Peace and Security, on the implementation of 1325, have made a commitment to try to increase that.

I think the more we talk about it, the more we emphasize it. It is a big priority for the Secretary General. But the way the U.N. works, of course, is the Secretary General is at the mercy of what, again, each of the member states puts forward.

I think our embassies can put also—and our DATs, our defense attaches, can be engaging in, again, encouraging that kind of recruitment. But as a general rule, the U.N. tends to amplify what the dynamics are, as you suggested, within the composite member states of the U.N.

So the world we need to change is the world inside member states, and that is why, again, having enormous resolutions and the political push is important, but we need to do it at the ground level.

In terms of sexual exploitation and abuse, I think the U.N. has improved its vetting for troops and police who are going out into the field. Individuals who have been alleged to carry out these acts are generally sent home while an investigation takes place.

There, though, does need to be far more follow-up in the host country. Because what happens is they go home and then, again, the U.N.'s relationship with it—I mean, there may not even be a U.N. Presence in a particular country—tends to become atrophied.

So we also need to work through our embassies to also keep the pressure on those countries that say, "Yes. We are going to do an investigation," but then, you know, enthusiasm for that can melt away, you know, once the individual is back in the host country.

So it is—again, we are nowhere near where we need to be, but we are in a much—there is much more of a top-down commitment from the U.N. bureaucracy, much more of an awareness among TCCs and PCCs that this is a priority. And, again, we need to see results in the field.

Ms. WASSERMAN SCHULTZ. Madam Chair, just 10 seconds more of indulgence, so that I could ask you know, we obviously have members travel around the world and we have meetings with a lot of your host countries.

And, to the degree that—we are able to raise issues from our perspective so that they are not only hearing them from you—

Ambassador POWER. That so would be—

Ms. WASSERMAN SCHULTZ [continuing]. If you could find a way to let members know as we are approaching recesses where we know CODELs are going out, know many of us would be happy to do that.

Ambassador POWER. Great. Thank you so much, Congresswoman.

Ms. WASSERMAN SCHULTZ. Thank you.

Ms. GRANGER. Thank you.

We are going to have another round of questions, but we are going to have to be shorter in our questions and shorter in our answers or I won't get around to everyone.

Ambassador POWER. Will do.

Ms. GRANGER. I am going to ask first about the Palestinian Authority briefly.

As it is obvious that they are turning their attention away from direct negotiation, instead going to the U.N. and the ICC, how do their actions at the U.N. and the ICC affect U.S. financial assistance to the Palestinian Authority? I see another \$440 million request for the Authority in the fiscal year 2016 budget request.

I also ask you in that same vein if you expect the Palestinians to file formal charges against Israel and the ICC. What are you doing to try to discourage this? And if it is true that the ICC has already begun preliminary investigation into Israel's activities, how is the U.S. opposing the ICC's involvement?

Ambassador POWER. Thank you, Congresswoman. I will try to be very succinct. There were a number of questions there.

First, as you know, we did not believe that the Palestinians were eligible to become a party to the ICC. We have made clear privately, publicly, many, many times over that we oppose their decision to go to the ICC, that it would be counterproductive, further poison the atmosphere that we were trying to, as we were discussing earlier, improve and—and hopeful that the parties can improve so that the aspirations of the Palestinian people, you know, can be advanced, which is not something that this ICC track is going to secure for them. A two-state solution will secure that for them.

So on the funding question, we are reviewing our assistance. As you know, the Government of Israel has just made a decision to re-

lease some revenue, in part, because at its core, you know, much of the assistance, whether it is the assistance that goes through Israel or assistance that comes from this body, is assistance that we use in order to deepen the security partnership to counter violent extremism.

The last thing we want is, you know, for the Palestinian territories to be radicalized, for youth to not have a place to go, for people not to be paid. And we know who exploits those kinds of environments. So I think we are in close touch, and it is a, you know, day-to-day discussion about how we go forward on the assistance question.

Finally, on the ICC's own relationship to this issue, the prosecutor has announced that she is undertaking a preliminary examination. So it is prior to the investigation stage. There are a lot of questions that she will need to sort through.

Again, we believe that one of those questions should still center on the eligibility question, given that a two-state solution has not been secured between the two parties. And while we are not a party to the ICC, you know, we, again, engage both the Palestinians to deter them from taking any further action, and, of course, we engage the court, both ourselves and through state parties to the ICC, to try to make very clear what the consequences of moving forward would be for what, again, we should all be for, which is peace and security in the region between the two parties.

Ms. GRANGER. Thank you.

Mrs. Lowey.

Mrs. LOWEY. Thank you very much.

First of all, I thank you, Madam Chair, for asking the question about the ICC and wonder where the chair is going. I won't pursue that point, but I would be interested. If you have any additional information, keep us updated.

And I do want to say to Mr. Stewart at the end, I appreciate his pursuing the question with regard to the military sites.

In fact, I just recently asked Secretary Kerry that exact question because, after dozens of briefings that I have been a part of, there seems to be no progress in Parchin or the other military sites, and he assured me that there could not be, and there would not be, a deal unless there was absolute inspection by IAEA of the military sites.

So I must say I have been asking this question for months, and I was pleased to hear from the Secretary that this is an absolute given if there is going to be a deal. Otherwise, their view is that no deal is better than a bad deal.

So I thank you for bringing that issue up.

I would like to ask another question that we haven't touched on. We have the whole world to deal with. What about Russia? What are they really up to? I thought their recent statement about selling anti-missile equipment to Iran was an interesting one. I have asked for a long time what does Russia really want. On the one hand, they are part of our alliance to try to get a deal with Iran. On the other hand, they continue to stir up problems not only in Ukraine, but in Syria and Yemen and Iraq.

So I know that you and the Secretary have looked for various incentives that will bring Russia into step with the world community.

Could we be on the verge of a new cold war? Can you enlighten us as to your views as to Russia's intention in the world? And we know they continue to support the Assad regime.

To what extent is this driven by Russia's battle with terrorism in the Caucasus? Is Russia still profiting from arms sales to the Assad regime? I would be interested to know your view of Russia's role in their region and in the world and in our future relationships.

Ambassador POWER. Thank you, Congresswoman. It is a question that, given Russia's role as a permanent member of the Security Council, I grapple with every day and see different manifestations of every day.

First, it is really, really important, particularly today and this week, to point out that Russia's aggression in Ukraine has not ceased. There was a significant drop in violence, but now that situation has escalated.

And it has escalated in large part because the separatists backed by Russia did not withdraw their heavy weapons as they were supposed to under the Minsk Agreement from the front lines because Russia maintained a regular army presence within eastern Ukraine, including command and control and training. The convoys that are not inspected by the international community, the OSC or the ICRC, keep coming in. I think we are expecting the 24th such convoy that just moves across the border blatantly.

So, again, this is an area of significant concern, and it causes us again and again—at the time that we would very much like to see the Minsk Agreement be implemented and move out of this period of confrontation and diplomatic and economic isolation of Russia, we now have to be thinking again about what are the consequences going to be of further aggression in Ukraine.

So you have that as the most egregious example of Russia's defiance of international norms. Alongside that you mention the support for Assad, support even as we work together to dismantle Assad's declared chemical weapons program.

You know, this is a regime that drops thousands of barrel bombs on civilian neighborhoods, uses chlorine against children and adults, for that matter, and, yet, the Russian support for that government continues. And it is, again, a huge problem and it has really paralyzed the U.N. Security Council, where I sit every day, which is responsible for maintaining international peace and security and cannot meet that responsibility because of Russian obstructionism.

So you have all of that and the internal situation in terms of the human rights crisis that civil society and others are facing, anybody who speaks out being vulnerable, independent media being cracked down upon, of course, the recent assassination of a leading opposition figure, and just a really difficult situation for anybody who wants to express their views or assemble peacefully, et cetera, inside the country. And we, again, always make our views known on this, speak out, and make those concerns, again, known publicly and privately. So you have all of that on the one hand.

But then, again, back to Congressman Stewart's—the exchange I had with him, on the other hand, you have the fact that they did stand with us through the P5+1 negotiations. They were a—and re-

main on, again, the declared chemical weapons program a critical part of dismantling that program and getting rid of, you know, more than 1,000 metric tons of sarin and other, you know, toxic chemicals that Assad probably would have used as a routine weapon of war if they were still within the country.

On ISIL, on the stopping—trying to stop the flow of foreign terrorist fighters, we have very, very useful technical discussions, and I think that is an area where cooperation needs to continue. Of course, Russia's definition of a terrorist and our definition of a terrorist, you know, tend to be different. But on ISIL and on Al Qaeda, you know, again, that is something that we need to work on together.

So we are entering into a period where we will cooperate on areas that are in our national security interests, and, presumably, that is the logic of their cooperation as well. And we will take measures as we need to when they defy international norms and commit aggression in their neighborhood or beyond.

Mrs. LOWEY. Thank you.

Ms. GRANGER. Thank you.

I will say before we go on that, in the past 5 weeks, I have been to Ukraine twice with bipartisan, very high-ranking delegations from Congress, and we sent a letter to the President. The President of the Ukraine made a very impassioned plea for weapons for them to defend themselves. They are very, very concerned about what is going on there.

Mr. Diaz-Balart.

Mr. DIAZ-BALART. Thank you very much, Madam Chairwoman.

By the way, before I say anything else, I do need to thank Ms. Chartrand—I always get your name—Jennifer, your name wrong.

But during this crisis when the Americans were being attacked in Panama City, I contacted her, we contacted her. They put us in contact with the DCM in our Embassy in Panama, and they were exceedingly responsive. And I think it is important to note that. And so I am very grateful for that. So thank you.

Ambassador, you mentioned a number of issues with Russia, you know, Assad—I think that the concept that he was a reformer—that has been thrown out the window. You mentioned again the support for Assad, the Russian support for Assad. You know, we have got the weapons to Iran. There is a million things that we could mention. And I will forget many and you will forget many.

Obviously, the invasion of the Ukraine, their continuing aggression in the Ukraine, and they still have troops in Georgia. And so—and I will tell you the previous administration at first thought that Putin was a person that—you know, he looked into his eyes and read his soul and, eventually, he—President Bush realized and called him a very cold human being.

Have we reset the reset? And I am not saying this as a gotcha thing. Is there an understanding that—and I think, from your words, I mean, you clearly understand that. But is there an understanding that the—you know, treating and disregarding, which is what a reset—disregarding past abuses? And, remember, the reset was done right after the invasion of Georgia.

Is there a different attitude now as to how we deal with the Russians as opposed to kind of like, “Well, don't worry about it. We are

okay. We are buddies”? Is there a different understanding now of the true nature of a regime that I believe is a dictatorial human rights-abusing regime?

Ambassador POWER. Well, I think Russia has taken actions that have resulted in not only the attempted lopping off of part of a neighbor, but the attempted neutering and evisceration of the Democratic progress that Russia had also made internally, you know, including throwing out USAID, which was a critical source of support for—and a lifeline for some of the lawyers groups and independent journalists and anticorruption crusaders within Russia.

So the relationship, of course, is now one that takes on these issues. I mean, back in 2009, if you had been told that, by virtue of U.S. and European sanctions, the ruble would have depreciated the extent to which it has, economic growth would have shriveled—I mean, Russia was going in a very different direction.

But I want to stress this isn’t—I mean, sanctions, just as with Iran, are not an end in themselves. We are not interested in sanctions that are hurting the Russian economy for the sake of sanctions. We are interested in Putin ending his aggression in Ukraine.

Our dialogue with the Russians on Syria is rooted in an argument that has not proven persuasive up to this point, but which is that, actually, we both have an interest in seeing the end of the Assad regime because the Assad regime has made possible the growth of ISIS across Syria. And, indeed, it was a safe haven, of course, for those ISIS soldiers that then went into Iraq and took over Mosul and inflicted such suffering on so many.

So we still believe that our shared interest in combating terrorism, in ensuring that chemical weapons are not used and they don’t become a routine weapon of war anywhere—and that includes chlorine—should allow us still, notwithstanding a very significant deterioration in the way that we engage with them by virtue of sanctions and by virtue of their aggression in Ukraine—we still believe that there have to be areas of tactical cooperation that we maintain, and the discussion earlier of sanctions evasion is just one example.

It is in our interest for Russia to be a country within the U.N. system that observes the international sanctions that Russia is a part of putting in place. We need—even if we want to put in place something that is of great interest to Congresswoman Lee and that others have mentioned, sanctions on the protagonists in South Sudan who are pulling ethnic Nuer or Dinka out of the house and just killing them because they are of the wrong ethnicity, we have to go through Russia in the Sanctions Committee of the United Nations Security Council.

So we don’t have the option of just turning our back and writing off this country, but we are very clear-eyed about the differences and the very disturbing trends.

Mr. DIAZ-BALART. Chairwoman, I want to thank you.

Ms. GRANGER. Ms. Lee.

Ms. LEE. Thank you very much.

Sudan. I co-chair the bipartisan caucus on Sudan and South Sudan, and we have worked for many, many, many years on a bipartisan basis addressing the humanitarian crisis in South Sudan,

which is now deteriorating. According to USAID, more than 1.5 million people have been displaced, 2.5 million people are facing food insecurity in South Sudan since the outbreak of violence in December in 2013.

Now, with the recent collapse in the peace talks, I believe it is very, very critical—and the caucus also believes this—that the U.S. Government increase pressure on the parties to reach a negotiated settlement and to work to bring U.N. sanctions into force.

So, Madam Ambassador, can you tell us what the dynamics are at the United Nations. You mentioned Russia as it relates to sanctions, but we have asked for the establishment of an arms embargo. You know, we can't seem to get that done.

Also, the current U.N. peacekeeping troop levels in South Sudan—want to know, are they being maintained at the current level? What do we need to know from this committee's vantage point that we need to do to make sure those peacekeeping forces are funded?

And then, finally, with regard to U.N. peacekeeping mission in Haiti, I believe the troop reduction will take place very soon and will pull down to what they were prior to the devastating earthquake in 2010. So what is the timeline of this reduction? And how will this affect the security in Haiti?

Ambassador POWER. Thank you.

And let me, if I could, just take this occasion—since we haven't had too much time to talk about our budget request, take advantage of the opening that you have given me to make a fervent appeal that the President's budget requests be fulfilled, in part, because of, well, frankly, the whole host of issues we have discussed up to this point, but because I think what you see with the Haiti drawdown is that we are—and with the drawdown in Liberia that is now recommencing, now that the Ebola crisis has abated, at least in Liberia. Nobody can be overconfident about that, given its presence elsewhere in the neighbors. But you can count on us. We are looking at every mission and seeing where we can recalibrate, right-size.

In the case of Haiti, just to pick up where you ended, Haiti is entering into a process where elections are occurring, but they have also massively increased the capability of the Haitian National Police.

I was down there in January and was told by the U.N. Police Commissioner that it takes 10 international police to do the work of one fully trained Haitian police, which is not normally necessarily the ratio one would expect. But that is a testament to how far they have come, I think, with the U.N.'s help.

I cannot stress how alert we are to the expanding size of the demands that we are making on this committee and on the Congress and the—and the appeal to American taxpayers that I feel I continually have to make, but it is for these causes that are critical to our national security.

And so, if we can draw down in Haiti, right-size—because we don't want to in any way squander the gains that have been made—if we can consolidate in Liberia and in Cote d'Ivoire—we have to increase in South Sudan. It is actually a modest infusion, considering the scale of the threat. We have to fortify the mission

in Mali because terrorists are now taking on peacekeepers, and even today we had another incident where there was a suicide attack at a U.N. Base. It is a horrific situation.

But when you go through the list of the peacekeeping missions that we are asking you to help us fund, there is just not one mission that you would take of and say, “Eh”—you know, even Cyprus, which is the mission that everybody sort of cites, is funded largely not by us, but actually by the parties themselves. And, indeed, of course, given the number of crises in the world, the last thing you would want to do is destabilize something when there is a peace process that we want to ensure reaches results over the long period that that crisis has existed.

But my point is just join us in this—if you could, in this process of looking at these missions. We have cut the per-peacekeeper cost by 18 percent. It can go down more. We are pushing every day on that. We are shrinking the size of missions because we know that there is a certain fluidity where other missions need to be increased. We know there is not an infinite pie here.

But we are carrying over into this year a significant deficit from last year, hopefully, less of one than we thought we were going to be carrying. And, thus, while our appeal looks bigger this year, the actual requirements are just—are a little bit lower even than they were in 2015 for 2016, at least the requirements that we expect.

On South Sudan, just very briefly, as my time is up, we have put in place through this recent Security Council resolution—now you might call it a pressure architecture. So we have a sanctions regime and now we will need to go forward in collaboration with our IGAD friends, who are trying to broker this peace process with designations on those who are spoiling and who are responsible for the breakdown in talks. We have to be strategic about that and think about how to ramp up perhaps or what the right sequencing is.

And the resolution also references an arms embargo, and we are very drawn, as are you, to the idea that, of course, stemming the flow of arms to this region may be another factor that could change the calculus.

But the biggest issue in South Sudan is that the very leaders that this Congress and our administration and our predecessors supported have not put the interests of their people above their own parochial desire for power or for self-preservation. And that is the roadblock that we have to lift, and pressure has got to be part of that.

Ms. LEE. Thank you very much.

Ms. GRANGER. Thank you, Ambassador Power. Thank you again for your time today and for your service to the country.

This concludes today's hearing. Members may submit any additional questions for the record. The subcommittee on State, Foreign Operations, and Related Programs stands adjourned.

**Questions for the Record Submitted by
Representative Kay Granger (1)
Ambassador Samantha Power
Subcommittee on State, Foreign Operations
Committee on Appropriations
April 15, 2015**

Question:

How much U.S. funding has been provided either directly or indirectly to the United Nations Human Rights Council from appropriations provided in fiscal year 2014 and 2015? How much is requested for this purpose in FY16?

Answer:

The UN Human Rights Council operates with support from two primary sources: staff support from the Office of the High Commissioner for Human Rights (OHCHR) and interpretation and document translation services from the Department for General Assembly and Conference Management (DGACM), both of which derive their funding from assessed contributions of UN member states for the UN regular budget. The US assessment rate is 22 percent of the UN regular budget.

The Department has derived the following amounts from UN documents that contain dollar amounts representing support that OHCHR provides for the Human Rights Council and special rapporteurs, working groups, and other mechanisms that the Human Rights Council creates:

FY 2014 (CY 2013): \$20.3 million (U.S. share is \$4.47 million)

FY 2015 (CY 2014): \$19.8 million (U.S. share is \$4.36 million)

The amount for FY 2015 was an estimate. It did not include the costs of new mandates or activities that the Human Rights Council agreed to in CY 2014. The Department is currently gathering information necessary to update the FY 2015 estimate, as well as determine an estimated amount for FY 2016. These amounts do not include the costs of conference services (i.e., document translation and simultaneous interpretation) provided to the Human Rights Council by DGACM. The Department is working with the UN to establish a reliable method for determining these costs.

Question:

What steps have been taken by the Department of State and the United States Mission to the United Nations over the last year to reduce the Council's disproportionate focus on Israel?

Answer:

The Administration opposes statements, resolutions, and other efforts to delegitimize Israel throughout the multilateral system. The Administration fights for fair and equal treatment for Israel across the UN system, including active efforts to defeat biased resolutions brought by

member states at the UN General Assembly (UNGA), Human Rights Council (HRC), and other UN fora.

Since joining the HRC in 2009, U.S. leadership has resulted in notable progress in ameliorating the Council's disproportionate focus on Israel and exclusion of Israel from organizing groups. Although much work remains to be done, and we believe efforts to improve the Human Rights Council will remain unfinished so long as the HRC continues to unfairly single out Israel, which is the only country with a stand-alone item on the HRC's agenda (Item 7).

The U.S. worked closely with several other states to garner an invitation for Israel to join the Western European and Others regional group (WEOG) in Geneva in 2014 and the JUSCANZ 3rd Committee consultative group in New York in 2014, which ensured that Israel has the same regional group coordinating status on human rights issues as other UN members. Further, prior to American membership, over half of all of the country-specific resolutions the HRC adopted concerned Israel. This number has been reduced to well under one-quarter since the United States joined the Council, though this number is still unacceptably high. Additionally, the HRC held five special sessions on Israel in the three years before our membership, whereas only two of the eleven special sessions called since

the U.S. joined the HRC have focused on Israel. Since the U.S. joined, the Council has held four special sessions on Syria, along with ones on Libya, Cote d'Ivoire, Haiti, ISIL in Iraq, Boko Haram, and the Central African Republic.

In the 2011 review of the HRC, a five-year review the General Assembly decided to conduct when it established the HRC, the United States pushed strongly to remove agenda Item 7, which focuses solely on the Israeli-Palestinian issue, although that effort was not successful. In 2011, the General Assembly decided to hold its next such review no sooner than 2021 and no later than 2026. The U.S. will continue to work to eliminate Item 7, and otherwise, end the Council's disproportionate focus on Israel.

**Questions for the Record Submitted by
Representative Kay Granger (2)
Ambassador Samantha Power
Subcommittee on State, Foreign Operations
Committee on Appropriations
April 15, 2015**

Question:

What reforms are being considered for the World Health Organization (WHO), what reforms is the United States pursuing at the WHO, and how much will these reforms cost U.S. taxpayers? Please provide a list of existing proposals and cost estimates.

Answer:

The United States has been a driving force behind an on-going reform agenda at the WHO, underway since 2011. This agenda has four fronts: priority-setting; managerial reforms; governance reforms; and financing. Member States have adopted streamlined priority-setting processes and a six-year General Program of Work (2013-2019). Management reforms have encompassed administration; oversight and ethics; and since 2013 the U.S. has worked closely with WHO on human resource reforms to get in place more flexible contracts, streamlined recruitment process, and changes to the workforce model. Some governance processes have improved with more work underway, and on financing, reforms continue to be pursued to combine realistic WHO budgeting with greater alignment and flexibility of WHO resources. These reforms and their ongoing implementation have resulted in gains in efficiencies and effectiveness.

To continue to advance these reforms and respond to lessons learned from the Ebola outbreak, in May 2015 the World Health Assembly adopted a formal decision focused in part on the WHO internal operations related to emergency response, including structural reform across the three levels of the Organization. Member States agreed to an initial concept plan of a global health emergency workforce to be initiated in 2016 as part of the dedicated structure and functions of the wider emergency response program, and to a voluntary contingency fund under the authority of the Director-General to rapidly scale up the WHO's initial response in outbreaks, with a target capitalization of \$100 million, replenished also through voluntary resources.

The WHO relies on voluntary contributions for about 78 percent of its total resources. The U.S. provided voluntary funds of about \$270 million in 2013 primarily from USAID and HHS agencies through specific programs such as polio eradication and other infectious diseases, maternal and child health, nutrition and health system strengthening.

At the World Health Assembly in May 2015, Member States adopted a 2016-2017 WHO Program Budget with an 8 percent increase for a total

Budget of about \$4.4 billion over 2 years. The 8 percent increase is all from non-assessed, voluntary sources and is dedicated to health security priorities of the International Health Regulations, the Global Action Plan on Antimicrobial Resistance, and health systems strengthening; increased priority is also given to work on non-communicable diseases. WHO Director-General Margaret Chan is confident the Organization can raise the additional voluntary resources needed to support the higher budget level.

The Administration's FY16 request supports the WHO budget through an annual assessment of \$113 million per year for 2016-2017, which is the approximate level it has been for six years. This assessment is paid through the State Department-managed Contributions to International Organizations account.

The Director-General has introduced financial reforms that increase transparency, including a financing dialogue with the largest donor nations and other major contributors. Building on the positive results of the first such dialogue, a second financing dialogue for coordinated resource mobilization to increase the donor base, and improve the financing of all elements of the Budget is scheduled for the fall of 2015.

**Questions for the Record Submitted by
Representative Jeff Fortenberry (1)
Ambassador Samantha Power
House Committee on Appropriations
Subcommittee on State/Foreign Operations
April 15, 2015**

Question:

Does the IAEA have what it needs to effectively verify and monitor Iran's ongoing nuclear work? Do you have any recommendations to this committee about how we can strengthen the organization's capacity to identify potential verification loopholes and provide real-time (or as close to real-time as possible) feedback on their findings?

Answer:

We are confident in the International Atomic Energy Agency's (IAEA) ability to implement Iran's safeguards agreement and other nonproliferation obligations and undertakings. In particular, the IAEA is playing the essential role in verifying Iran's nuclear-related commitments under the Joint Plan of Action (JPOA). After the JPOA was adopted, the IAEA undertook a thorough preparatory process for its enhanced verification role under the JPOA and appealed to IAEA Member States for extra-budgetary contributions. The United States was pleased to provide three separate extra-budgetary contributions to the IAEA on our part and to be joined by a number of others contributors toward that end.

Under a Joint Comprehensive Plan of Action (JCPOA), Iran would be subject to the most intrusive and comprehensive inspection and transparency

regime ever negotiated for any country's nuclear program, providing the most effective possible deterrence and/or detection of a covert pathway to a weapon. The IAEA would play the essential role in verifying Iran's nuclear-related commitments under a JCPOA. We have been clear that, as part of a JCPOA, Iran would be required to implement the IAEA Additional Protocol (AP). The AP provides essential tools for the IAEA to have the enhanced access to information and facilities needed to give the required assurances about the absence of undeclared nuclear activities in Iran. Given Iran's past behavior, we are also seeking additional enhanced transparency and monitoring measures. The IAEA will also be able to use improved, more modern monitoring technologies.

To do this extraordinary job, the IAEA will require extraordinary resources – financial, human, and technical. Should the P5+1 and Iran conclude a JCPOA, we would expect the IAEA to provide a detailed analysis of the resource implications, which will depend heavily on the final details of the deal. Given the IAEA's essential verification role, we would work closely with the IAEA, Congress and other IAEA Member States to ensure the inspectors have the resources they need to do their job well.

WITNESSES

	Page
Brownfield, Ambassador W. R	563
Browning, Ambassador Steve	1
Dijkerman, Dirk	1
Hogan, Elizabeth	563
Jacobson, R. S	563
Kerry, Hon. John	111
Konyndyk, J. M	1
Lenhardt, A. E	390
Lew, Hon. Jack	489
Power, Samantha	627

